

# FINANCIALTIM

Friday April 30 1982





CONTINENTAL RELLING PRICES: AUSTRIA Sch. 15; RELGIUM Fr 30; DENIMARK K. 2.50; FRANCE Fr 5.00; GERMANY DM 2.0; ITALY, L 1,000; NETHERLANDS FI 2.25; NORWAY, K. 6.00; PORTUGAL Esc 50; SPAIN Pts 85;

#### GENERAL

Beatty

### Moscow gains U.S. military secrets for \$

Tap-secret information on U.S. military aircraft, including the Stealth radar-evading bomber, has almost certainly been acquired by the Soviet Union, the CIA disclosed.

The information was documents given to a Polish agant hy a former employee of the Hughes Aircraft Corporation, convicted of spying last year.

U.S. Defeoce Secretary Cas-par Weinberger ordered the incident's disclosure to tighten security in the scientific and technological fields. Page 3

#### **Public sector pay** Pay rises of about 6 per cent

for the armed forces and civil service are expected to be announced shortly, Back Page

#### **BR** strike threat

The National Outen men threatened strikes if Br. went ahead with plans to cut more than 5,000 jobs in 12 engineering workships. Back DOLLAR fell suddenly to DM 2.338 (DM 2.355), FFr 6.1025 (FFr 6.139) and Y235.5 (Y227.15). It rose slightly to

Seventeen El Salvador soldiers were killed in a clasb with left wing guerrillas near the Honduran border.

#### Palestinians die

Two Palestinlans were killed when Israell troops fired after trouble in the West Bank towns of Halhoul and Saeer. Page 4

#### Syria-PLO pact

Syria and the Palestine Liberation Organisation agreed a common Middle East strategy and outlined conditions for Egypt to return to Arab ranks. Page 4

#### iragis attack

Iraq said its bombers attacked Kharg Island, the main Iranian oil export terminal,, and warned all tankers in the area that they

#### 'Tolerate Pope'

Church of Scotland is urged by one of its own committees to be tolerant towards the Pope's visit there. In Rome, police o EEC INPLATION rate fell arrested two youths alleged to an annualised 11.7 per cent have threatened to kill hlm. in March from 12 per cent in

#### Prostitutes' aid

Programmes to help integrate ing life might qualify for financial aid. EEC Commissioner Ivor Richard said.

#### Holiday 'war'

Moves hy three top tour operators suggest the holiday price war is heightening as company find sales less easy. Page 6

#### YOPs starters

One in every two youngsters who left school last year started working life on the Youth Opportunities Programme. A higher proportion

is likely this year. Page 6 Ganging up International terrorists are uniting with London criminals

to run gangs in Britain's prisons, says Prison Service deputy director Gordon Fowler.

No hiding place Trees with thin trunks are to

be planted in inner Birmingham so that muggers cannot hide behind them.

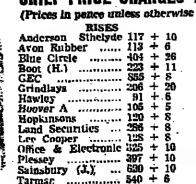
Briefly . . . Prince Charles visited Southall.

#### London, scene of race trouble

Bjern Borg said he would not play any tennis tournaments until after Wimhledon.

Warrington rugby league club's stdium was wrecked by a tire.

#### (Prices in pence unless otherwise indicated)



..... 60 ÷ 4

Westland ...... 110 Wimpey (G.) ..... 116

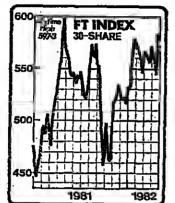
Yarrow 310 + 10
Yulc Catto 87 + 5
Candecca 218 + 13
Carless Capel 192 + 9
Marinex 123 + 18 Marinex Flight Refuelling ... 283 - 12 

No. 28,762

### **Equities** advance; sharp fall

BUSINESS

 EQUITIES tended to edge bigher, although sentiment was affected by the disappointing



figures from 1CI. The FT 30share index closed 6.7 higher at 582.0. Page 31

GILTS advanced, despite fears over the Falklands crisis.

(Y237.15). It rose slightly to SwFr 1.957 (SwFr 1.95). Its index was 113.4 (113.8). Page

 STERLING closed 90 points higher at \$1.7955 (\$1.7865) and SwFr 3.515 (SwFr 3.485), But it fell to DM 4.1975 (DM 4.21). FFr 10.955 (FFr 10.965) and Y423 (Y424), Its trade-weighted

index was 89.7 (89.4). Page 38. e GOLD fell \$1.5 to \$350.50 in London. In New York, the Cartex Hay close was \$356.40 (\$358.10). Page 25

lower at 845.89 near the close.

. LLOYD'S of London Is mounting an inquiry to ascertain bow insurance brokers and underwriters arranged aviation insurance for Australia's Qantas

O OIL RESERVES in the UK meet curret British oil demand for over 50 years, according to an official report. Page 6

February, European statistics office announced.

GRUPO INDUSTRIAL ALFA. prostitutes into ordinary wark- Mexico's largest concern, meets ing life might qualify for its 98 farcign creditors today ofter suspending principal payments nn its \$2.3bn (£1.28hn)

deht. Back Page • PROVISIONS for periodic

review of union closed shops should he delayed until after the next election, according to the head of the Engineering Employers' Federation. Page 9

• CHRYSLER, the third largest U.S. motor company, reported a smaller first quarter operating loss than expected of \$89.1m (£49.6m) against \$303m in the first 1981 quarter.

• NESTLE group first quarter sales draped about 6-7 per cent, mainly because of the Swiss franc's high exchange raic. Page 27

· AEROSPATIALE, the French State-owned aerospace group. anounced provisional 1981 garn-

lngs three to four times up on 1980s FFr 19m (£10.9m). Page • HOOVER reported a reduced

pre-tax loss in the first three months to March 31 of £1.9m against a previous £3.4m with

O GEO WIMPEY pre-tax profit for 1981 declined to £44.2m (£54.9m). Page 20; Lex. Back

• MARKS AND SPENCER sales rose 17.4 per cent in the perind to Barch 31 and pre-tax £222m. Page 20; Lex, Back

#### CHIEF PRICE CHANGES YESTERDAY



to catch Japan ..

Property Advitg. ... 14-15 For latest Share Index phone 01-246 8026

Stock Markets: nology ......

GRE .

### Little basis for optimism on peace moves, says U.S.

THE U.S. said last night that terday that Britain would there was "very little basis for optimism" that Britain and Argentine would find a peaceful as completely as she has the Argentine would find a peaceful as completely as she has the naval exclusion.

Argentina agreed to withdraw sovereignty. Argentina insists ber forces. she is ohliged to take only the However, the Government is interests of the Falklanders making no formal response into account, taking the cue solution to the Falkland Islands

One of the gloomiest statements on the crisis yet, was issued un behalf of President Ronald Reagan. In London Mrs Margaret

Thatcher gave a cautious recep-tion to official U.S. peace proposals and went some way to restore a bi-partisan approach with Labour. In Buenos Aires the junta

wavered uncertainly between agreeing to negotiate on the U.S. peace plan, which would involve a major climbdown, and launching a pre-emptive strike at the Royal Navy task force which is now arriving at the islands.

The White House statement, made by Mr Larry Speakes, the President's Deputy Press sacretary, said: "The situation remains very serious."

There had been no movement toward a diplomatic solution.

"There is little basis for optimism, but we remain in touch with both parties." statement came as Britain prepared to impose a total blockade of the Falk-lands from noon, London time. today and as Mrs Thatcher was telling the Commons: "We must continue to intensify the

Opening the fourth Commons emergency debate on the Falk-lands the Prime Minister declined to give details of the compromise proposals of Mr Alexander Haig, hte U.S. Secre-

But she said "the proposals are complex and difficult and

FALKLANDS WEATHER: Winds NW Force 7 (30 knots) backing W; 10-12ft seas and 10ft NNW swells. Partly cloudy, scattered abnwers. Temperature 40F. Good visi-

inevitably bear all hallmarks of compromise in both their substance and language.

They have to he measured against the principles and objec-tives expressed so strongly in the debates in the Commons, The clear implication is that Mrs Thatcher is unenthusiastic about the proposals. But the Foreign Office

appears to take a more favourable view, arguing that despite a number of defects they are gradual return of in accordance with United naval force to base. Nations Security Council Reso. • The interests of the lution 502, which called for an as opposed to their wisbes, Argentine troop withdrawal would be "taken into account" from the islands and for in the discussions on the negotiations. They could become palatable

Mrs Thatcher made clear yes- from the London viewpoint if mention in the proposals of

President Galtieri met a working group of military and civilian advisers yesterday to decide on Argentina's response to the U.S. proposals, amid signs of considerable division over their

acceptability.

Pressure for a stated recognition of Argentine sovereignty over the islands, the basic issue hedevilling the negotiations for tha past three weeks, remains the stumbling block. According to Argentine news

agencies, quoting foreign diplomats in Washington, the U.S. proposals arc:

A tripartite administration, involving Britain, Argentina and recognition of nur sovereignty the U.S. would he set up in the as a special condition." Falklands, to run the islands for an interim period of five years.

During this period negotiatinns for full transfer of administration to Argentina would before the British air an dsea take place according to a predetermined timetable.

• There would be a staggered withdrawal of Argeotice troops from the Falklands and gradual return of the British • The interests of the islanders,

islanda' future,

There is reported to be no

making no formal response into account, taking the cue until after the Argentines reply. from earlier UN resolutions calling for decolonisation of the Falklands.

Gen Alfredo Saint Jean, Argentine Interior Minister, said the proposals contained useful elements and had not been rejected. "In no way will me accept a

Falklands Crisis, Page 4 Callaghan leads unity calls, Page 8
How the Navy seenres its signals, Page 10 Bankers freeze in their tracks. Page 19

proopsal which does not contain

Some Argentina officers were believed to he urging Gen Galtieri to take advantage of Argentina's air superiority hlockade is imposed. In the Commons,

between excbanges Thatcher and Mr Michael Foot, the Labour leader, were more conciliatory than earlier in the

blpartisan approach, which appeared near breaking point, just about held together. Mr Foot resisted calls at a private meeting of the Parliamentary Labour Party for him

Continued on Back Page

### Solidarity calls national strike

BY CHRISTOPHER BOBINSKI IN WARSAW

national strike to start at midday on May 13. They have also appealed for a one-minute halt of all street traffic in Poland noon that day.

at noon that day.

The call was accompanied by a demand that the military Government should reopen talks with the suspended union. It came as the ruling military council released the first of the 1,000 people it has promised to free from internment camps.

Equip prominent leaders, who

Four prominent leaders, who escaped the interment dragnet which followed the military clamp-down in December, mct in secret last week to plan the moves after almost five months of apparent loactivity.
A statement prepared at the meeting said: "We are resolved

to undertake any action, any form of pressure, in order to force the Government into recognising the necessity for talks with Solidarity leaders." It was not clear whether the strike call—the date would mark five months of martial law

—was intended to press the Government into negotiations. It could be intended mainly to assess support for the union. "The co-ordination of this protest throughout the country will be a test of our Solidarity and

strength," a statement said.
The underground leaders
demanded that the Solidarity negotiators should be headed by

Mr Lech Walesa, the union's

THE REMNANTS of Poland's national leader, who has been Solidarity trade union leader interned since December 13.
Ship have called a 15-minute Other conditions to be n Other conditiona to be met before talks could start were the release of all internees and an amnesty declared for all those sentenced under martial law for political offences.

The strike threat and the offer of talks come at a critical time for the suspended union, which claimed up to 10m members at the height of its influence las: year.

The military Government has shown no signs of wanting to

rescrivate it. Activity among the membership has seemed to be waning.

If the response to the May 13 strike call is feehle, then tha Administration led by Gen.

Wojciech Jaruzelski will have won an important victory in its struggle to win obedience. The demand for talks came in a statement signed by Mr Zblgniew Bujak from Warsaw, Mr Wladyslaw Frasyniuk, tha head of the union in Wrnclaw,

ond Mr Wladyslaw Hardek from Cracow. In a conciliatory gesture, the statement dropped previous demands that martial law should be lifted and that the uninn he reactivated before

Mr Bogdan Lis from Gdansk

The four, who represent major regions where the union was hest organised, said that hasis for talks with the

Continued on Back Page

### **Lower ICI profits** surprise City

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL CHEMICAL Indus- are mounting and are thought

that the figures were "pretty ment of the results, but later rallied to 318p. Mr John Harvey-Jones, the company's new chairman, warned last week that ICI still saw no signs of a general

economic recovery, and yesterday the group again stressed that there was "no evidence as yet of a sustained upturn." The £62m pre-tax profit was still £10m up on the profit for tha first quarter of 1981. . The company sald there were three main reasons for the 45

per cent drop in pre-tax profits from last year's fourth quarter to this year's first.

They were:

Losses in ICI's buge petrochemical and plastics business
significant impact on the latest
figures.
The group's worldwide chemi-

tries surprised the City yester to have accounted for almost day when it announced pre-tax £19m of the £52m drop. Main profits for the first quarter of reasons for the losses are. Wesonly £62m, which is £52m less tern Europe's great over capathan in the final quarter of city in petrochemicals and (\$355.10). Page 25

1981. plastics, allied to weak prices
Most forecasters had expected and poor demand.

PALL STREET was 6.75 profits in the region of £85m

Carrel Value of Carrel Value of £85m

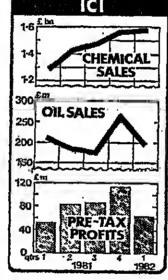
Plastics, allied to weak prices

Most forecasters had expected and poor demand.

to £90m. ICI admitted last night cent, from £263m in fourthquarter 1981 to £198m; its oil poor." The group's share price exports in that period went slumped from 322p to 306p from £40m to £13m; and oil-immediately after the announce-trading profit was slashed by more than 50 per cent, from £25m to £12m. fall in oil profits resulted from lower crude prices, a higher oiltax hill and the fact that it

> It saw little hope of a quick end. cent, while in the UK they fell to the world oil surplus, and expected liftings to remain comparatively low, for the rest of on the UK, despite its long-the summer at least. standing determination to • Its £141m pre-tax profits in fourth-quarter 1981 were in-flated by a £20m benefit from currency exchange rates. Ex-change rates have bad no

significant impact on the latest



The company said its dramatic cal sales were £1.583bn, which is I per cent higher than in fourth-quarter 1981 In both overall volume and value terms. reduced its oil liftings in the But in volume terms sales in first three months of this year. overseas markets rose by 2 per by 3 per cent.

> standing determination reduce this reliance. reduce this reliance. It admitted last night: "There is no doubt that the UK is our Achilles' beel."

Details, Page 21 Lex. Back Page

have the same fate.

# ICI is still beavily dependent

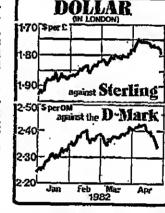
ICI shares closed at 318p, down 6p on the day.

#### Wall St resigned to Budget deadlock BY PAUL BETTS AND MAX WILKINSON IN LONDON

WALL STREET responded yesterday with resignation rather than despair to Wednesday night's collapse of the U.S. budget compromise negotiations between President Ronald Reagan and Congressional leaders on Capitol Hill. In the European currency markets the dollar fell yester-day, losing about 11 prennigs

against the D-mark against DM 2.355 and New York close of DM 2.3565 to finish In London at DM 2.338. It also fell against sterling to close at \$1.796 against Wednesday's London close of \$1.7865. However, dealers were generally uncertain about the reason for the fail, particularly as Eurodollar interest rates remained firm.

One said the movement against the D-mark may have reflected West Germany's improving trade position as well as a general expectation that U.S. interest rates could fall. rather than being directly related to the U.S. Budget impasse.



Sterling also weakened against the D-mark to close in London at DM 4.1975 against a previous DM 4.21, but the trade-weighted index of its value rose 0.3 points against a basket of other curreccies, as measured by the In New York, after opening sharply lower, the Dow Jones Blue Chip Index recovered some ground by mid session although it was still nearly four points lower on the pre-

vious day's close. Bonds, after an initial slump, also rebounded a little. But since Tuesday, when the markets became increasingly preoccupied of a breakdown in the negotiations, loog bonds have shed about 1½ full points.

Many Wall Street economists said yesterday they never said yesterday they never expected a budget compromise because the divisions were so large, with the President showing very little willingness to

give up his tax cuts to ease pressures on the federal bud-But they acknowledged that Continued on Back Page U.S. chances for early

economic uplift weakened, Page 3 Money Markets, Page 38

£ in New York

April Ca Spot \$1,7845-7855 \$1,7855 7870 1 month 0.41-0.26 pm 0.18-0.23 pm 3 months 0.60-0.65 pm 0.49-0.57 pm 12 months 1.80-1.90 pm 1.65-1.80 pm

## Closed shop review delay urged

BY PHILIP BASSETT, LABOUR CORRESPONDENT THE GOVERNMENT should postpone plans for periodic reviews of closed abop arrangements until after the next genaral election, Dr James McFarlane, director general of the Engineering Employers Federation, said yesterday.

Dr McFarlane was speaking at a Financial Times industrial relations conference in London, during which there was growing criticism by employers of key aspects of the closed shop The level of unease seems

likely to provoke a response on the issue from Mr Norman Tebblt, Employment Secretary, when he addresses the conference today. The Government bas not said yet whether it will invoke the closed shop clauses in the em-

ployment legislation in the first

W. German car industry: the scramble

Latin America & the Falklands: bankers

would almost certainly prefer to have the clause in operation before an election. Dr McFarlane. though broadly supporting the government's initiative on trade union reform, made clear this serious

reservations on two key areas:

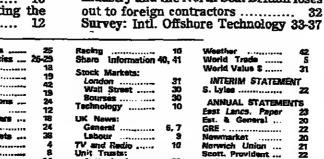
comes into effect, but Mr Tehbit

the Government's plans for periodic reviewa of existing closed ahops and its tightening of the legal immunities enjoyed by trade unionists. On the closed shop, he called on the Government to defer implementing the review provisions until after the next general election "so as to reduce the incentive for unions to make

Disagreement about the future path of the Government's industrial relationa ment's industrial relationa legislation also emerged at the conference, mainly between Dr McFarlane and Mr Walter Goldsmith, Director General of tha general political capital out of particular cases." Unions would not co-operate with hallots on the closed shop, and this could Institute of Directors. Policies put forward by both organi-sations were influential in shaping the Employment Bill Wide backing for move to cause industrial relations diffior second year after the Act culties in some factories. curb union power, Page 9

#### CONTENTS

Property column: institutional invest-Editorial comment: Japan; electronics ...... 18 Lombard: Peter Riddell on the Alliance and the Falklands ...... 19 Industry and the North Sea: Britain loses





BY GILES MERRITT IN BRUSSELS diminishing market shares in in 1970 and 1.20 in 1980. traditional" areas of manu-

**Europe 'falling** 

behind rivals' in

high technology

and the U.S. pean Community Industry", the from 0.43 to 1.03. Commission maintains that the

of world trade, and set a figure string comparative advantage either the EEC or the U.S. and chalked up a surplus figure

of 0.87 in 1970, which by 1980 had given way to a world-heating 1.41. During the 1963have retained its tech- tries."

THE EUROPEAN Commission nological edge, with a performsays EEC industries are being ance that has only gently squeezed increasingly between weakened from 1.29 in 1963, 1.27

The EEC member states facturing and a "mediocre" during that time collectively performance in high technology. slipped to 0.94 in 1970 and only As a result, Europe is alipping 0.88 ten years later. West Gersteadily further behind Japan many went from 1.21 in 1963 to 0.99 in 1980, and Britain In a apecial report entitled from 1.05 to 0.94. Only Ireland "The Competitiveness of Euro- advanced with a figure that rose

The report, which reinforces EEC's original lead in advanced Brussels' calls for a concerted technology has given way to a EEC "telematics" strategy and serious "comparative disadvan- the abolition of internal harriers that are preventing a common Commission experts base their market in high technology figures on a formula that goods, is not limited to micro-balances high technology ex-electronic equipment. The high ports against countries' share technology products included in of 1.00 as an equilibrium aircraft and from machine tools between the two. In 1963, to nuclear reactors. It points Japan's infant high technology out that Japanese investment industries permitted it to score in such manufacturing sectors only 0.56 oo that scale, while is now almost twice as high, as the EEC countries enjoyed a a percentage of GDP, than in

Perhaps the most alarming finding, though is that indus-The gathering speed of trial exports in a number of apan's technological break- EEC member states "are even through can be seen by its score specialising in product areas where they are - or will be competing mainly with newly industrialised countries rather 80 period, the U.S. was found than with other developed coun-

### Minister forecasts rise in Belgian inflation

BRUSSELS—Belgium's partial price freeze will be extended to serious chance that confidence the end of this year, but a rise in the Belgian economy can inevitable, according to Mr Willy de Clercq, Finance account looks like reaching the He forecast that real interest

rates in Belgium will fall this year because of the rise in

the economy is back on the countries.
right track, be said.
Reuter

Mr de Clercq said there is a return rapidly if the country's balance of payments on current average of EMS member states within reasonable time.

Mr de Clercq said the main cause of the Belgian franc's weakness is the fact that Nominal interest rates could Belglum's external imbalance also fall more than expected if measured in this way is by far there are clear signs soon that the highest of all EMS

#### WESTERN DEEP LEVELS LIMITED

(Incorporated in the Republic of South Africa) NOTICE TO HOLDERS OF 12 PER CENT UNSECURED DEBENTURES 1986/1993-INTEREST PAYMENT NO. 4

Notice is hereby given that in respect of the loterest on the

debentures for the period January I to June 30 1982, warrants bearing the latter date will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on nr about June 18 1982 to debenture holders registered at the close of business on May 21 1982. For that purpose the transfer registers and registers of debenture holders will he closed from May 22 to June 4 1982, both days loclusive. Registered debenture holders pald from the United Kingdom receive the United Kiogdom currency equivalent on May 24 1982 of the raod value of the interest due to them. Any such debenture holders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom oo or before May 21

In terms of the Republic of South Africa Income Tax Act, 1962, as amended, a withholding tax at the rate of 10 per cent will be deducted by the company, where applicable, from the interest payable to those debenture holders whose addresses in the registers of debenture holders are outside the Republic of South Africa. Interest amounting to R20 or less accruing in any one year is exempt from the tax.

By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Secretaries

Transfer Secretories: Consolidated Share Registrars Llmited 62 Marshall Strect t P.O. Box 61051 Marshathown 2107)

Charter Coosnlidated P.L.C. P.O. Box 102, Charter House Park Street, Ashford Kent TN24 8EQ

Johannesburg April 30 1983

per N. B. Stinton Companies Secretary Registered Office: Johannesburg 2001 (P.O. Box 61587 Marshalltown 2107)

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### U.S. official rejects exchange rates action

By John Wyles in Brussels

MR MARC LELAND, Assistant Secretary at the U.S. Treasury, firmly closed the tion with Western Europe on reducing volatility in foreign

exchange markets. Nor would be endorse the forecast this week by Mr Timothy McNamar, the Deputy Treasury Sceretary, that U.S. interest rates could fall sbarply within 60 to 90 days. His reluctance to indulge in forecasting also extended

to the general economic outlonk in the U.S. Prospects would be hrighter if the White House bad succeeded in agreeing a compromise on the 1983 budget with Congressional leaders this week, he said.

Nevertbeless, he believed that the Administration's tax cuts and its monetary and anti-inflation policies were be-ginning to work and that a recovery could get under way "hy the end of the year or early next year." Mr Leland appeared to be

trying to extinguish bopes in Europe that President Reagan can be persuaded into make ing policy adjustments under pressure from Enropean lead ers at the world economic summit at Versailles in June. Interviewed on a special telephone link between Brussels and Washington, Mr Leland rejected the Bundes-

bank's criticism this week of

the Administration's refesal to Intervene in foreign ex-Washington, be said, dld not helieve governments were hetter judges than markets ahout exchange rate levels. "Our basic view is that ex-change rate problems come from differences in under-

lying economic policies. If there is greater co-ordination and if people are following more similar monetary policies and if everyone attempting to reduce inflation rates, then you will see more stable exobange rates." He did not believe that U.S. interest rates would stay at current levels indefinitely. They represented a "perception of the market about wbat

David Housego finds the car plant at Aulnay-Sous-Bois in a virtual state of siege.

### Simmering discontent boils over at Citroen

THE CITROEN plant at Aulnay-Paris came into full production flags, a loudspeaker van blared in 1974 in the first year of out Arab music to those in the M Giscard d'Estaing's presi-picket line and to the crowd of dency. Since then, there bave

been virtually no industrial disputes. On Thursday of last immigrants, week, however, some of the assembly-line workers stormed out of the plant, precipitating a strike that has stopped production since Friday.

tions that a left-wing Government had aroused in France, the difficulty of meeting them and of simmering racial The strikers speak harshly of complain of racial abuse from violence in the suburbs of many the company. "Working condithose above them—of being

Aulnay is known to many foreign visitors to Paris, though The finished Citroens from the plant, stacked on rail wagons seen from the motorway on the drive into the capital from Charles de Gaulle Airport or from Calais or Brussels.

The plant employs 6,500 and manufactures the CX model, the Coupe (Citroen Is a subsidiary of Peugeot), and light vans. Yesterday, the factory seemed to be in a state of siege. A helicopter was ferrying manage-ment personnel out of the 500acre fenced compound. Members of the Communist-led CGT aution blocked all the road entries during the day.

At the maio staff entrance. sympathisers—a reminder that almost sil the workforce are predominantly from North Africa but alsn from Turkey, Spain, Portugal and Yugoslavia.

Through the fence, one can glimpse management and staff The tale of why it happened who have remained in the comsays a lot about the expecta- pound. Reinforcing the siege image, the management have said they will make no statements to the press,

tions in all Citroen plants are had,' says M Petar Milit, a Yugoslav and an official of the more few are probably aware of it. moderate CFDT union, who has been with Citroen for 16 years. ' But this is the ghetto." He has or parked row-upon-row, can be stayed with the company, be says, because be has a weak heart, which would make obtain-ing a job elsewhere difficult. He alleges that in February last year he had a heart attack while manufactures the CX model, the at work but was told by the Visa, the LNA, the Peugeot 104 foreman: "You'd have to be dead before I would get the ambulance for you."

CGT supporters are much unremitting pressure on the assembly line. "There's not even the time to go to the WC," says M Mohed Said. "If you do, you're shouted at."

Illegal aliens to be expelled

expulsion from France after failing to qualify for legal atatus. M Francois Autain, the Secretary of State for Immigrants, said on television yesterday, Reuter reports from Paris. When the Soclalist Government came to power last aummer, it sald it would give priority to ensur-

ing the rights and social bene-

fits of illegal foreign workers by offering them a six-month period in apply for legal status. M Autain said yester-day that 100,000 people had

The 40,000 who face expulsion have been unable to prove reasonable employment or e source of income, the requirement for legal status.

those above them-of being called a "dirty Arab" or a Communist and Cossack. If you ask for something,

says one, "you're told you're an fence. Arab. If you're not bappy, go home." It was an anonymous racist letter, beginning: "Dear Mustapha" and left in pigeon-holes at the factory, that the CFDT believes provided the final spark that led to Thurs-Until President Francois

Mitterrand's victory last year, neither the CFDT nor the CGT bad much of a foothold at Aulnay. The dominant union was more virulent. They complain of the CSL "Confederation of Free unremitting pressure on the Unions," which the strikers claim they were forced to join on threat of dismissal. As the strikers portray it, the union is

employs ex-Foreign Legion-naires, among others, to intimi-date its rivals. The "grosbras" (the strong-arms) can be seen on the other side of the wire

CSL opposes the present

strike and the other unions re-fuse to sit at the same negotiating table with its officials. An important change that has come with M Mitterrand's victory is that the Government is forcing employers to recognise This has transformed the position of the other unions at Aulnay.

The CGT says, for instance, that it sought the protection of the Minister of Employment for 38 to 40 candidates it is putting up to represent workers et the factory, after violence against ou're shouted at." aggressively right-wing, under members. The protection has
Assembly-line workers also the management's thumb, and enabled it to organise meetings

eal

Another recent cause of dispute has been the friction provoked by the introduction of the Government-inspired shorter working week. The strikers claim they are being asked to produce more in a shorter

time, and that no extra labour

has been taken on, as the Government Intended. The claims that the unions are putting forward represent a backlog of past grievanees: the freedom of trade unions to organise; an immediate FFr 400 a month increase to supplement basic assembly-line pay of FFr 3,400-to FFr 3,500, which is close in the minimum wage and claimed to be the lowest in the car industry; a slower rhythm of production; an end to racialism, and so on.

The Citroen management. which apparently has susbtaotial independence from its Peugeot parent has so far de-

clined to negotiate.

For the Government, intervention carries all the risks of further encouraging expectations in an industry whose markets are fragile and involving the issue of immigrant workers, where its policy is ambiguous. Citroen is not a typical French company, but the Government's dilemma over whether to back justice and jobs against greater industrial competitivnes, is at the beart of its industrial policy.

Savasta

recounts

career in

terrorism

By Rupert Conwell in Rome

AFTER A fortnight of legal

meer

### Norwegian union abandons petrol blockade

BY FAY GJESTER IN OSLO

PETROL SUPPLIES returned to normal in most parts of Norway yesterday after the striking sport Workers' Union abandoned its attempt to block the movement of fuel by non-union

The union, in dispute over pay, bad tried to stop supplies by picketing depots, refineries and the main Swedish border crossing point. The blockade was only partially successful, crossing point. however, and was highly un-popular with the public. Some picket lines were broken up by angry gangs of independent

effects of the stoppage are build- free bargaining seems to be ing up. Activity at ports is virtually at a standstill and factories all over Norway are baving difficulty obtaining sup-plies and moving finished pro-important electro-chemical and ducts. Industrial lay-offs as a direct result of the strike had topped 3,000 by mid-week. If it pay increase of NKr 8 (184p) lasts much longer, many thousands more will be made idle. The government arbitrator

called a meeting of both sides on Tuesday, but neither was willing to re-opeo talks without concessions from the other in advance, The Minister of Labour drivers, others by policemen Mr Arne Rettedal, is still re-answering appeals from the oil fusing to enforce a settlement. Pay agreements have also companies. The Government's policy of been reached for hotel and In other ways, however, the standing aside and encouraging restaurant employees and air-

working in other industries. Leaders of the Chemical Workers' Union, which organises agreement with employers on a per hour, the same as that secured last week by the Iron and Metal Workers' Union. Like the metal-workers' deal,

increases to be negotiated at plant level, depending on productivity and each company's

craft mechanics. On the other hand, some 700 cannery workers bave refused an NKr 2 per hour Increase and are now on strike. Other groups which could down tools soon, if current talks fail, include printing workers and building employees.

Mr Rolf Presthus, the Finance

Minister, claimed success so far for the Government's policy. He said that changes which be had made in the 1982 budget (drawn. up by the previous Labour adit provides for supplementary ministration) had increased purchasing power and thus eased the spring wage bargaining. Without the tax concessions he had made, he claimed, workers would have claimed much bigger pay rises. .

skirmishing, and technical recesses, the Moro trial has has begun here in earnest with detailed testimony, from Antonia Savasta, the Red Brigades leader who has turned

state's evidence aloce his cap-ture in Paina three months ago. The 27-year-old Savasta was not a central figure in the kidnap and murder of Sig Aldo Moro, the former Italian Prime Minister, in the spring of 1978, the event which restospectively marked the chinax of the ter-

marked the campaign against the state. But his co-operation with the authorities after his arrest when police freezy. General James Lee Dozier las blanuary has contibuted to the capture of more than 200 Red Brigades suspects. It has also done more than anything to eliminate the workings of an organisation which for all its recent setbacks, still exerts a

powerful fascination here. Yesterday, for the second day running, Savasta recounted his career, from its beginnings as a high school agitator in what he termed the "ghetto" of the nondescript Prenestino district of south-eastern Rome; emergence as the Red Brigades most prolific single kaller. In the heavily defended court,

the slight, bespectacled figure, neatly dressed in a grey rollneck sweater and giving his evidence to the judges in a soft, jargon-strewn monotone, ing an examination board.

Before his capture Savasta led the Veneto region "column" of the Red Brigades, and has admitted 17 murders: This week he told the court he had abandoned the struggle because of the "impossibility of the group ever wholing mass sup-port" and its increasing irrelevance to modern Italian society. Of the 63 people on trial, most

of those who bave refused to collaborate with the authorities have shandoned the court while Savasta has been giving evidence. In any case, their threatening abuse of their "repentant" former colleague has become much less strident. Thenks to the touch line taken thanks to the tough line taken by Sig Severino Santiapichi, the

three Red Brigades defendants from the court for the rest of the trial, after they had publicly exulted in the murder the precouncillor and his driver by Red Brigades gunmen.

Presence in court is vital for the organisation if It is to make any impact on proceedings and on the country at large. Given that the outcome of the trial is largely a foregone conclusion. and that many of those charged are already serving lengthy sentences for other offences, the chance of a rare public hearing is one of the main attractions for them.

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### Ecevit remains cool amid the heat and the hailstones

BY METIN MUNIR AND JAMES BUCHAN IN ANKARA

A VIOLENT hallstorm joter- gel, the Hamburg news maga- law court, he faces between six generals' prime source of General Kenan Evren regards rupled the closing stages of zine, and giving an interview and 24 months' jail. He has inspiration and legitimacy. him as a threat, dislikes the rupied the closing stages of zine, and giving an interview and 24 months' jail. He has inspiration and legitimacy. Party (RPP).

As hailstones rattled on to the sweltering courtroom in the Mamak military barracks outside Ankara, neither Mr Ecevit nor his soft-spoken judge could be heard: kawyers, journalists and military police started at one another in surprise at this rude interruption.

Mr Ecevit's career since the imposition of military government in the autumn of 1980 has taken on an increasing un-

reallty. He is standing trial for writing an article for Der Spie-

Splinteed party

Mr Ecevit, dapper and con-trolled despite 18 days in the atockade, seems to recognise that bis political career is over and that his party has splint-ered. Yet he continues battling to justify himself and his role in the chaos and terror that preceded the generals' third Intervention into Turkish politics in 20 years.

If sentenced by the martial

is submitted to referendum a crime.

in November. While other politicians, in Surly guards cludiog Mr Suleyman Demirel, who was Prime Minister during the coup in 1980, tend to keep sdeot, Mr Ecevit will probably face charges for a set of other the sake of security deserve public statements.

Above all, in a long deposition to the court, he made Ecevit was guarded by relays constant appeals to the memory of surly military police and of Kemal Ataturk, who founded there seems no doubt that the

yesterday's first session of the to a Dutch television joornalist, already speot two months in Io the Spiegel article, he Social Democratic twist he gave trial of Mr Bulent Ecevit, the io alleged contravention of jail for criticising the geoerals, criticised the military rulers the RPP and fears his access former Turkist Prime Minister Military Decree 52, which bans and has been in custody since for crushing Ataturk's party to public opinion in a Europe and chairman of the banned former politicians from making April 10. Any sentence would and yesterday said of it: "I the generals, bowever exaspresent and future" status of in jail while the new constitu- Ataturk, his democratic charaction - being written by an ter and to prove that his target appointed consultative assembly was democracy would constitute

He also quoted Benjamin Franklin to the effect that those who sacrifice freedom for neither freedom nor security.

Throughout the process, Mr

Gibraltar. In this respect it is important to underline that UN

calling for their de-colonisation.

are couched in similar language

Other considerations must be

added to this. There are

believed to be some 600,000

Spaniards living there. This is

nationals whose interests have

Trade is a less significant factor: only 1.5 per cent of all

worth \$250m (£142m). Imports

from Argentina are worth

\$220m. But there is a strong

feeling among the older genera-

wingers that a great debt of

gratitude is owed to Argentina

for helping to supply foodstuffs

in the early Franco years at a

Mixed with this is the lateot

popular feeling that anyone who

thumbs their nose at the old imperial lion that still controls

Spaniards and Right-

formidable number of

Spanish passport holders in ment—th Argentina and perhapa 1m strained.

to those on Gibraltar.

to be considered.

ostracism.

uhilcan Peoples public statements on the "past, have the effect of keeping him never dreamed that to praise perated, still wish to please. Mr Ecevit, however, seemed to be enjoying his return to centre stage. In the end, the

judge reluctantly accepted an adjournment to study the various texts of the offending remarks and was bombarded by the three lawyers to accept a reconvening on Juoe 4. Mornqueried wearily.

"Afternoon," chorused the lawyers, on their feet. "Morning," said Mr Ecevit. "You of Kemal Ataturk, who founded there seems no doubt that the should know the workings of the RPP and is also the military government under the Presa by now."

ment to postpone opening the

June 25 was a decision taken

underlines the mutual desire

The Spanish already recognise, bowever, that if the talks are

held in June—and they still see no reason for another postpone-

ment-the atmosphere will be

Spain's uncomfortable pre

dicament is rich in Irony. At a

time when it has geared its

policy to closer ties with Britain, it risks seeing this

undermined by being forced to

side with Argentina-one of the

Latin American régimes from

which it has kept a deliberate

Spain has been cool to a innta

that has been one of the most

Falklands crisis, Page 4

rèpressive in Latin America.

As a democracy,

thing else could bave prejudiced at the present. That the agree-their position on other United ment to postpone opening the

Nations resolutions regarding frontier and talks on the future Gibraltar. In this respect it is of the Rock from April 20 to

resolutions on the Falklands, joiotly by Britain and Spain

### Robert Graham examines the effects of the Falklands crisis on Spain's foreign policy

### Hispanic past may risk European future

priority policy commitment to commitment to Argentina, the desire to ensure the well-being of about 1m Spaniards in Argentina and the consistent identification of the de-colonisation of the Falklands with that of Gibraltar. The last thing the Govern-Spain may be forced to take sides by domestic pressures and the call of Hispanic solidarity. Puulic slatements have already

implicitly sympathised with Argentina, even though in private at the highest level the Spaoish are insisting on wishing to be even-handed. Arguably the most deciaive act of Sr Calvo Sotelo'a government since taking office in February 1981 was to apply to join Nato: the previous government of Sr Adolfo Suarez pre-

ferred to demur on the issue of joining the alliance. In part, this reflected a feeling that Spain was not yet ready to take such a decision, baving never been a member of a multilateral defence alliance. Yet it also reflected a genuine ambiguity and uncertainty over Spain's role in the world: cut off from Europe by the Pyrenees, historically linked to Latin America and North Africa, was Spain a neutral liridge between the latter and Western Europe? Or was it an

integral part of Europe?

Sr Suarez's inferiority com-

AS THE Falklands crisis plex concerning bis North deepens, the Spanish Govern- European partners made the ment finds itself torn by con- first option inherently more flicting pressures and loyalties. attractive, even though he knew On the one hand, there is its that over 45 per cent of all Spanish exports went to the join the Nato alliance and the EEC compared with 10 per cent EEC, so identifying Spanish to Latin America.

democracy fully with the main- Sr Leopoldo Calvo Sotelo, stream of Europe. On the other, Spain'a first Minister for European Affairs, had no such hesitations. Not only should Spain join the EEC but it must also play its ful part in the Western alliance by joining Western alliance by joining Nato, he insisted. This gave Spain full access to decisionmaking in Europe, and scrved ment wishes is to jeopardise its to strengthen Spanish demo-European role but, equally, cracy by wedding Spain's fate cracy by wedding Spain's fate to that of its prospective EEC partners.

WithIn this context the Spanish Government showed a new willingness to try and end the dispute over Gibraltar. A satisfactory solution to Spanisb claims to sovereignty of the Rock waa regarded as an essential element in cementing relations with the UK. The Spanish Government put much store by these relations, regarding the British as an important potential ally especially vis a vis the Frencb-io EEC negotiations. The Spanish also felt that the UK could offer useful help and advice, having joined the Community late and baving

its links with the Common-Spain's links with the Spanishspeaking countries of Central and Latin America have oever been institutionalised in a Commonwealth. They have remained hound up in a vaguely defined, but deeply felt, sense of "bispanidad"—or hrother-hood of Spanisb-speaking peoples linked by a common They felt that to have done any-

brought with it the problems of



religion and close ties created by emigration. In spite of this time of Spain's international difference between Spain and the UK an increasing identity of interest bas been seen, aided too by the connection between the two Royal familiea.

Union in the call for a withdrawal of Argentinian troops.

Sr Leopoldo Calvo Sotelo looking to Europe

When Argentine troops seized the Falklands the Spanish government found itself obliged to dissociate itself from the EEC's solidarity with Britain. This was the first indication that its declared aims of close identity with its Europeao allies were not so easy in practice. Then, in the Security Council vote, Spain found itself abstaining alongside the Soviet

for the Spanish side's unwillingness to reopen the frontier

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription retes \$385.00 per annum.

The Spanish officials argue that they had no other option.

presiding judge.
On Wednesday, he barred

If yo

Phone Free

Gibraltar deserves some aupport. Meanwhile, Spain is With mony years of worldwide experience in dceply conscious as "the mother ships management offers the following services: judged by its Spanish-speaking brothers across the waters. These domestic pressures have come to the aurtace over Gibraltar and largely account

# at Citroearly economic uplift weakened

BY MANATOLE KALETSKY IN WASHINGTON

REGAN, the U.S. easury Secretary, said yestery the effactive collapse of dget talks between President mald Reagan and the Coness would weaken the chances reconomic recovery this year.

As President Reagan, prered to address the nation on imetime television with a thing speech on the budget isis, Mr Regan went on tele-sion yesterday morning with string of other senior Admini-ration officials and congresonal leaders.

"There will be nervousness the markets," ha said. "The conomic recovery, while it will ill come in the second half of ils year, probably won't be as rong." This was because of it absence of an agreed plan reduce budget deficits.

The president. Mr Regan ud, would now "definitely go n the offensive."

Last year President Reagan inced unprecedented spending uts through an un-cooperative ongress, partly by appealing irectly to the U.S. public for acking. He had hoped to avoid nis strategy this year because f the decline in his personal opularity and the disillusioneent with his economic pro-

However, according to the White House, after the Demoratic leadersbip's refusal to ompromise, the President is some on a "feisty mood." He ingends to exercise utmost presure on Republicans and congruence of the president is some or president in the president in the president is some or president in the president is a president in the president in the president is a president in the president in the president is a president in the president in the president is a president in the president is a president in the president in the president is a president in the president in the president is a president in the president in the president is a president in the president in the president is a president in the president in the president in the president is a president in the president

fail in his attempt to dislodge the conservative, southern De-mocrats who last year enabled him to carry his budget plans though the House of Represen-



Regan: nervousness in markets

tatives, in which there is Democratic majority.
"He will fail because his programme is failing and people understand that," said Mr Richard Rollins, the principal representative of the Democratic leadership in the collapsed budget negotiations.

Republican congressmen predicted "bloody" legislative battles in the coming months over taxes and spending.

The House and Senate budget

committees will now each aim to produce their own budget plans. These will then have to be presented to the full Houses of Congress. If they pass, they will have to be reconciled, passed again, acted on by Congressional spending committees and finally combined into an

"omnibus" authorisation Bill. han as close as possible to bis

If, as is likely, this contains elements unacceptable to the President, it could then be hat this year the President will vetoed. In fact it is uncertain whether the process can even

### **International Harvester** reaches pact with UAW

Union on the main points of a new employment contract.

Details of the deal, which is seen as an essential ingredient in the company's survival plans, will not be released until it has been ratified by union members over the weekend.

If approved, the agreement will take effect immediately, and replace the existing controct which was due to expire this October, li will run to October

asked for concessions amount on its part appear certain.
ing to \$100m (£56m) in the Salaried workers have already ing to \$100m (£56m) in the year to this October. This pro-posal was not accepted, and the already sour relations between

INTERNATIONAL HARVES- the two sides further deteriora-TER, the financially troubled ted in January following news U.S. truck and farm machinery of bonus payments to 3,000 In-manufacturer, has reached tentative agreement with the The union decided to resume United Automobile Workers negotiations in March after its The union decided to resume

pacesetting deal with Ford and in the light of International Harvester's mounting financial problems. Talks started early this month and continued until Talks started early the early hours of yesterday morning.

Although the contract is expected to have some points in common with those already struck with the motor manufacturers, it has been tailored to meet International Harvester's more pressing financial needs. The union has been seeking The company first approached some assurances about job the union last November, and security, but major concessions

taken a 5 per cent reduction in pay, as wall as cuts in a num-ber of benefits.

#### **Premier** dissolves **Bahamas Parliament**

THE Prime Minister of the Bahamas, Mr Lynden Pindling, bas dissolved Parliament and set June 10 as the date for a general election, Nicky Kelly writes from Nassau.

Mr Pindling's Progressive Liberal Party bolds 31 of the 38 House of Assembly seats. The opposition Free National Movement has four seats and the minority Social Democratic Party two. The remaining seat is held by Mr Norman Solomon. former SDP leader, who resigned from the party earlier this month. He will contest the election as an independent.

The election was announced on Wednesday, one week after a House committee investigatpeddling reported that it bad found no evidence to support allegations that the Prime Minister, other Cabinet Ministers and civil servants were involvad in a scheme to grant wide-scale concessionary rights in the Bahamas to a U.S.

Baldridge hopeful ou trade with Japan

Mr Malcolm Baldridge, U.S. Commerce Secretary, said in New York yesterday that be expects real progress soon on U.S. attempts to reduce its trade imbalance with Japan, Reuter re-ports. Last year, Japan ex-ported \$37.6bn (£20.8bn) mer-chandise to the U.S., giving it a \$15.8bn surplus on U.S. trade.

Mr Baldridge hoped trade liberalisation measures to be drawn up by Janan in May "would run the whole gamut" of Japanese non-tariff barriers

In further comments, Mr Baldridge said he believed the dollar was "overvalued" and was hurting U.S. trade. While acknowledging that the strong dollar had helped the U.S. lower inflation by reducing

the price of imports, Mr Bald-ridge said it was detrimental to U.S. exports, "I'd like to see a more realistic realignment, but I think the market place has got to do that"

#### Alsands consortium

to meet today

A MEETING of the Alsands consortium to discuss terms of the \$13bn (£7.2bn) synthetic fuel project has been postponed until today, a consortium official said. Reuter reports from Calgary.

The group wanted an extra day to study new royalty and oil pricing measures offered by the Federa ernments, he added.

The consortium had earlier said the project would be cancelled if the Federal and Alberta governments did not come up with more attractive arrangements for the project.

#### Canada, U.S. want

more pipeline backing The U.S. and Canadian Goveroments want more commitment by financiers to the Alaska natural gas pipeline, Mr Mark MacGuigan, Canada's External Affairs Miinster, sald yesterday.

Affairs Minster, said yesterday.
Reuter reports from Ottawa.
Mr MacGuigan took the unusual step of releasing an exchange of letters with Mr Alexander Haig. U.S. Secretary of State, to underline his concern that lack of financing for the \$43bn (£24bn) pipeline, and further delay, might affect further delay, might affect Canada's commitment to it.

The 4,800-mile pipeline is scheduled for completion in the

#### Brazil travellers'

allowance doubled Brazil has decided to double the foreign currency allowance for

Brazilians travelling abroad, Reuter reports from Brasilia. The National Monetary Conncil resolved to raise to \$2,000 from \$1,000 the amount of a currency a Brazilian can receive at the official rate of exchange before he leaves for a foreign

The council also decided to cut a government tax on hire-purchase agreements.

#### U.S. seeks ways to dispose of silver

Administration officials have reaffirmed that no silver needs to be held in the national defence stockpile, and said they are examining ways of dispos-ing of the existing surplus, Rcuter reports from Washing-

### Moscow obtains vital U.S. military secrets

TOP SECRET Information about the latest U.S. military aircraft-including the ultramodern Stealth radar-evading bomber-has almost certainly been acquired by the Soviet Union, the Central Intelligence Ageocy (CIA) disclosed in Washington yesterday.

In a report called "Soviet acquisition of Western tech-nology," the CIA said the development "put in jeopardy existing weapons and advanced future weapons of the U.S. and its allies."

The information was contained in more than 20 highly

to a Polish agent by a former employee of the Hughes Aircraft Corporation, who was convicted of spying last year.

Defence Secretary, ordered tha report to be distributed as part of his campaign to tighten security in the scien-

tific and technological fields. The Information included details of the "quiet" radar system to be used on both the B-1 and Stealth bombers that are currently under development and the top-secret "look-down-shoot-down". Mr Caspar Weinberger, U.S.

F-15 fighter an edge over Soviet rivals. Other Included the mised Navy's leading air missile, the Phoenix, Patriot and Hawk surfa air missiles, a submri sonar system and down" radar system that had been thought to give the U.S.

Kim Fuad in Caracas traces the history of Venezuela's claim to two-thirds of Guyan

### Negotiations to the sound of rattling sabre-

long-standing argument over jungle territory, twice the size of Ireland and reportedly rich in minerals, may be brought to a bead by the Falkland crisis. Venezuela's ultra-nationalists have openly called for the South American oil giant to follow the American oil giant to follow the 
"Argentine example" and 
retrieve by forca the 50,000 
square-mile area of "Guyana 
Essequibo" which forms the 
western half of the Republic of 
Guyana and represents twothirds of the former British 
colony's overall territory.

Sr Lois Herrera Campins, the Venezuelan President, has rejected the ultra-nationalists' demands, however, insisting that there is no link between Argentine claims to the Falklands and Venezuelan claims to Guyana Essequibo. Dr Herrera has indicated that Venezuela will pursue its claims through negotiation, upon the expiration this year of an agreement made in 1970 between the two countries which froze negotiations. Guyana Essequibo was held

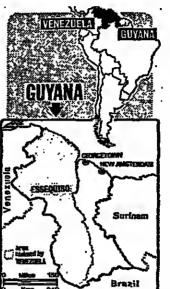
successively by Spain, the Netherlands, Britain and, finally, the Republic of Guyana. It is claimed by Venezuela on the basis of baving formed part of the original Spanish captaincy won by Venezuelan patriots led by Simon. Bolivar in the early 1800s. In 1899, Mr Grover Cleveland, the U.S. President, ing the rebels and trying to sub-

denied Britain's territorial claim to the banks of the Orinoco River but, as a compromise, gave Britain the disputed strip of 50,000 aquare miles.

Wrackad by civil wars and dictatorships until 1958, Venezuela repeatedly protested against the 1899 decision, but was unable to make more than token attempts to win back the territory. Finally, on February 17, 1967, following a vigorous diplomatic campaign by former Presidents Sr. Romulo Betan-court and Sr Raul Leoni, Vane-zuela, Britain and Guyana agreed to reopen the issue by establishing a mixed-nationality horder commission border commission.

A series of events during the four-year lifetime of the com-mission served to beighten tension over the issue. In 1966, the Venezuelan armed forces occu-pied the island of Anacoco on the border, despite Guyanese protests that half of the island On January 2 1969, a group

of ranchers and American Indians staged a brief, bloody revolt against the Georgetown government of Dr Forbes Burnham, Guyana's Premier, attacking the cattle-farming centre of Lethem in Guayana Essequibo with mortars and automatic weapons. Guyana accused Venezuela of training and arm-



the 30,000 American Indians living in the area.
The Christian Democratic vernment of President Rafael Caldera inharited this issue and moved to defuse it as part of its strategy expanding Venezuelan influence among the English - speaking Caribbean islands. In June 1970, the so-called "Protocol of Port of was signed whereby negotiations were frozen. The protocol was sharply attacked would use its oll-financed in-by Venezuelan politicians and come to belp joint development for its sabre-rattling.

The crisis in the of the area with Guyana. Falkland Islands has which tried to Cuba, accurate Students with Cuba, accurate the Surpham gover reactivated another ter- until the Burnham gover ritorial dispute between transporting troops to A Venezuela and Guyana.

The Venezuelan Presi
The Venezuelan Presi
The Venezuelan Presi
Salvador. This swing ads dent has rejected de-mands by ultra-nation-made an official visit to Cade disagreement came out inoss alists to seize by force open: the Venezuelan nd Guyanese haads of state erthe disputed territory in area. Guyana, and has said steady increase in verbiar. changes in both course media. Among Venezuelanes plaints are reports that G through negotation.

Congress refused to confirm it, bnt Venezuelan-Guyanese relations improved in its wake. Dr Caldera's successor, Sr Carlos Andres Perez, went even further in his efforts to resolve the dispute, posing an agreement in which the disputed area

would be split up and Venezuela

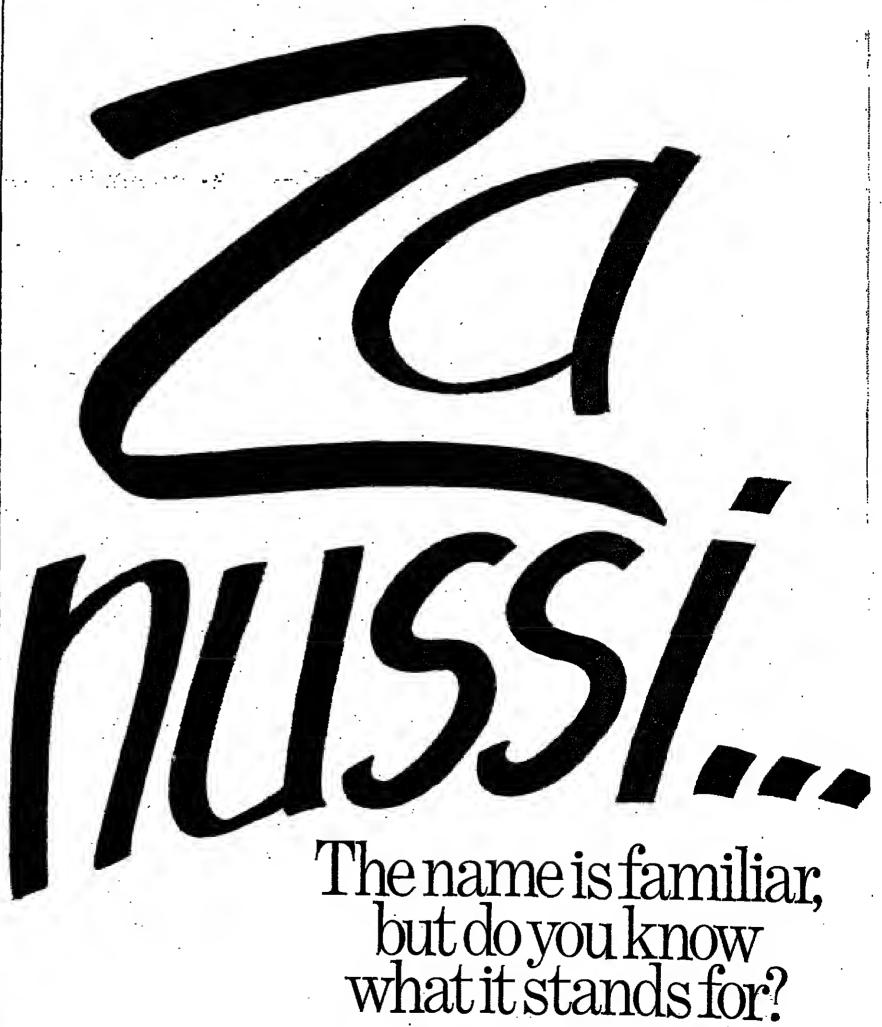
opposite views on the discts

Sr Perez's adminst which tried to ease strain

began co-operating with C

The current Venezuela-

to oil exploitation: photog recently published in C: oil rig drilling in the dis zone. Despite the drum-be however, Dr Herrera ha sisted that Venezuela wil go back on its plans to p its claims through the reing of the 1966 Genevamixed border commission Herrera has also pu scolded the Venezuelan i



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### **OVERSEAS NEWS**

### ] Britain and France run neck and neck in race for Indian contracts

BY K. K. SHARMA IN NEW DELHI

SE GUYS," said a U.S. dits, the Indians will give conrcial diplomat in New tracts for steel plants, metallur- the contracts being offered. At plaintively about his gical factories, oil drilling, port pants in Western Eurombessies, "put on their ick up their brief cases Mr Harry Barne, the U.S. under about door to door

g orders from com-B" Then he frowned. "We mot do that. The Gov-THEnt does not want us to says resides, which company sque wa project without being dimit of favouritism."

traU.S. is thus losing out to perfans in India. West Euro-As mbassies have been quick steam on to the Indian Govand nt's new strategy to deal In he current acute shortage Theign exchange and the "Theigh exchange and the pear of internal resources.

pear mail sent back to their Configuration and clear size lovel and clear size lovel. EEC iis loud and clear: given tech ght mixture of govern-

development, power stations and a range of projects that would otherwise not materialise.

Ambassador, says his country is not interested in turnkey projects which he describes as "one-time contracts," but this is making a virtue out of necessity. The reason simply is that his country is unable to take advantage of the Indian Government's opening up of the economy to foreign investment as part of its strategy -- a key ingredient of which is its offer of mammoth projects to other countries provided they find the right kind of financing

The result is that the British, French, Germans, Italians and Indian market which Suzuki has aid and commercial cre- other Western Europeans are just captured.

vying with each other to bag present, Britain and France seem to be running neck and neck. Following the exchange of visits by their respective Prime Ministers, Britain has secured a £1.5bn still plant in Orissa State and a £600m super thermal station in Singrauli,

Uttar Pradesh. The French are building a £390m alumina plant in Orissa and have a stake in India's offshore drilling programme in the western continental shelf that could be worth several hundred million pounds. Both the British and the French are competing for communications projects and development of the Bombay satellite port of Nhava Sheva. Both tried for, but lost to the Japanese, the deal to make a new passenger car for the

In each case, the contract has International been won because it had the Association (IDA)-40 per cent right kind of financing package: of the assistance from which a combination of commercial traditionally came to India. credits, syndicated by European Since this has been sharply rebanks, and governmental grants duced and traditional hilateral or cheap credit so that the average interest rate is attractively foreign aid budgets, the Govlow. The Singrauli thermal plant now being discussed with other sources of finance. Northern Engineering Indus- This also includes st tries (NEI) of Britain, for forward commercial borrowings instance, will probably he financed by credits worth an aver-

age of 7.5 per cent in place of

would have been charged had

the loans been taken only from

Eurocurrency markets. The Indian Government's strategy is the result of the deterioration in the climate for foreign aid because of cuts in New Delhi in preparation for funds from the World Bank the Asian Games later this year. foreign aid because of cuts in and its soft-loan affiliate, the For the first time this makes

Development donots are also slashing their ernment has been forced to find

This also includes straightabroad in the fiscal year 1981-1982, the Indian Government approved a record \$1.35bn (£770m) worth of loans by pubmore than 18 per cent that lic and private sector companies from the world money markets compared to a paltry \$75m the year before. As many as 33 companies got loans to import capital goods, finance projects, purchase ships and aircraft and set up hotels in

Indla a major borrower of nonconcessional funds abroad. Accompanying the selective

opening of the economy to foreign companies and financing. the Government has embarked on a major theralisation of its economic policies. The object is the removal or easing of cumbersome restrictions and licensing procedures that have inhibited private investment by those most capable of it. This poly large industrial houses" covered by the curbs on expansion imposed by the Foreign Exchange Regulation Act (FERA) and the Monopolies and Restrictive Trade Practices

Act (MRTP). Earlier this month, the Government made two major announcements on liberalisation that will greatly help the pri-vate sector—foreign and Indian

-to expand. The latest is the of industrial <u>liberalisation</u> policy which perhmits many, though not all, foreign companies and "monopoly houses" to invest in five major new areas of industry.

More important, they can expend their established capacity by a third, provided their products do not compete with small units (with an investment of Rs5m, or £300,000) or includes both foreign com-panies and the so-called "mono-stroke, this enables companies which were banned from expansion to increase their production by 33 per cent and to invest in new areas without necessarily bringing in technology or exporting their output

as would normally be required. Equally important, was the announcement at the beginning of April significantly liberalising imports of capital goods, raw materials and technology despite the alarming rise in India's trade gap (expected in be nearly Rs60bn in 1931-82). This is hased on the precious consideration that the country's exports cannot increase unless industry is allowed to modernise and thus increase its capacity to compete abroad.

Both policies, and the general opening up of the economy, have been greeted widely by foreign companies and Indians even though the latter will be finally exposed to competi-tion from abroad and less sheltered than before by tariff and non-tariff barriers. This is based on an encouraging new prague tism bereft of the ideological Socialist considerations that have hitherto guided Indian politicians, including Mrs. Gandhi, who is now gambling on market forces and an open economy to put the country on the path of growth.

### figuria and <sup>F</sup>LO agree Tategy

thea and the Palestine Libstr'n Organisation have anced agreement on a comstrategy on the Middle Tand listed conditions for Jac'a return to the Arab fold. joint statement issued talks in Damascus yesterhagaid that Cairo would be etmed in Arab ranks if it to ments and the peace treaty

e statement was signed by 's ruling Baath Party and atah, the mainstream guerfactions will meet Syrian rs in a week to sign the iples of the new common

price this is done, the policy the be binding both on the in n Government and the PLO ine whole. The PLO groups Wi guerrilla factions.

Mianwhile, Mr Arafat, chairof the PLO, was in Saudi ra ia yesterday reportedly to yeate in a sbarp conflict beinn the oil-rich Kingdom and

guerrilla leader had ther visited Tripoli and met thMuammar Gadaffi.

r to King Hassan of eco yesterday pledged

### Israel troops shoot two Palestinians dead in clashes

were shot dead during clashes with Israeli soldiers on the occupied West Bank yesterday. A third died from wounds received during an anti-Israel demonstration last week. This brings to over 12 the

number of Arab youths killed by Israeli soldiers during the past month of bloody clashes between Pal time demonand soldiers implementing the new iron-fist policy of Mr Ariel Sharon, Defence Minister. In this time, three elected

and curfews imnosed. Schools have been closed and travel in the occupied territories has become unsafe, as even Palestinians in previously quiet bamlets have taken to

1970 subdued the population of and protests will continue.

Gaza while serving as com
In yesterday'a clashes, Jamal Gaza while serving as com-mander of Israel's southern Mussa Shalaldeh, 19, was killed front, bas made it clear he will and two other Palestinlans continue a similar policy on the wounded when Israell troops righter reports from Cairo: West Bank until all active oppodent Hosni Mubarak, in a sition to the occupation is

atian resolution to struggle many demonstrations in recent soldiers fired at villagers.

Arab and Islamic causes. weeks, Mr Elia Freij, the mayor ignored a curfew order.



said: "The army is definitely becoming tougher. It was never

resisting the occupation. "a cyclone of violence," Mr Mr Sharon, who in the early Freij said the demonstrations "a cyclone of violence," Mr opened fire on pupils demon-strating in Halhoul neor Hebron.

like this before. Now they Describing recent events as

A second youth died in the In Bethlehem, the scene of nearby village of Si'ir when

### U.S. steps up | Hong Kong 'could seek finance from ADB' military aid to Tunisia

By Frank Ghiles In Paris

U.S. MILITARY aid to Tunisia and Morecco is to be atepped up sharply next year. Aid to Tunisia will nearly double to \$140m and the Tunisians are to purchase 12 F5 fighter aircraft, worth about \$200m.

No figure for U.S. military aid to Morocco has heen decided but the subject, together with the possible use by the U.S. Air Force of facilities at Moroccan military bases will be at the heart of talks between King Hassan and President Ronald Reagan due to be beld in Washington in just over two weeks. Earlier this week,

created Moroccan military committee met for the first time in Fez. with King Hassan in the chair.

The Moroceans claim that the Polisario liberation movement is using Sam 6 and Sam 8 anti-aircraft missiles, following the loss of four aircraft last autumn over the Sahawa. King Hassan's military advisers are very keen to find a suitable deterrent. U.S. interest in helping

pro-Western countries in North Africa must be seen in the context of Washington's attitude to Libyan President Col Muammer Gadaffi.

retary, Mr John Bremridge, told the Asian Development Bank yesterday that falling land sales revenue could lead Hong Kong to seek loan finance from sources including the Asian Development Bank.

Mr Bremridge, addressing the ADB governors in Manila, said that in the present finanrevenue from land sales and elsewhere would be

ment was forecasting a budget surolus.

consciously brought ourselves nearer to the position in which we may have to seek alternative forms of finance to sustain expenditure on our capital works programme.

Some industrial land prices, Mr Bremridge said, had already

sales and high interest rates.

But he continued, "we have prices could be prolonged," he added, citing Hong Kong's at Shatin in the New Tern-dependence on world trading tories.

conditions which were now But Mr Bremridge said yes. unfavourshle. The Government would continue making available as much development land

as possible.

Hong Kong has told the ADB fallen by 5 per cent this year. In the past two years that it priate degrees of sensitivity.

HONG KONG'S Financial Sec-part of our expenditure on He attributed the drop to both does not propose seeking retary. Mr John Bremridge, capital works," and the Government the high volume of Government further lower for the time being. Between 1975 and 1980 The present trend in land it drew four loans of \$20m; ces could be prolonged." be (£11m) each to finance projects

> But Mr Bremridge said yes-terday that Hong Kong "has not surrendered and will not surrender its right to borrow from the bank," though any borrowing would reflect "appro-

### Chinese to debate revised constitution

BY COLINA MACDOUGALL

FOR THE chaotic years of the Cultural Revolution, the Chinese hehaved as if they bad no constitution. They they abolished their all-but-suspended 1954 document, and, under the influence of Mao in 1975 and 1978 produced two short charters which were slow progres obediently rubber-stamped by a and growth. docile National People's Con-

This week, after a year's work, a long draft constitution which delimits much more clearly than its predecessors the rights and duties of the state and citizens, emerged. It will be debated throughout China until the NPC meeting in the autumn, when it will probably

The document enshrines many of the principles-including the aim of modernisation and the reunification with Taiwan - which China's strong man Deng Xiaoping has tried to another milestone in China's slow progress towards stability

Key provisions of the draft are the institution of a state chairman (abolished in 1975 but in abeyance since the death of Mao's opponent Llu Shaoqi while holding the post in 1967); NPC standing committee. The diture, verifying the accuracy draft adds new weight to the Government, as opposed to the chief auditor will have a seat

The change with the widest restoration of the old town and village system to replace the Maoist communes. After 25 establish since 1978, and marks years of the indifferent performance from this system. China is to revent to the old way of running local govern-

To halt the financial chaos which nearly wrecked the Chinese economy during the past 15 years, the draft constitution provides for China's a central military council to first ever top-level auditing lead the armed forces and an organisation. It will supervise increase in the power of the flow of revenue and expen-

on the State Council (cabinet). But workers will lose out. The right to strike, inserted in the 1975 constitution by Mao himself and retained in the 1978 one, will go. The right to put up wall-posters (attributed also to Mao), deleted two years ago, ... has not been restored. But all citizens are equal

before the law, the draft states. The constitution will still be subject to the interests of the Communist Party, but the debate which is likely to start now is some guarantee that the rights and obligations outlined ... in it, if not perfect by Western standards, will carry some-weight in Chinese political

### THE FALKLANDS CRISIS

### varning n economy

Jimmy Burns in Buenos Alres

JENTINA'S main trade in movement, the General rederation of Labour T), has resumed its attacks the Government's economic cles, after a brief truce ed as a result of the Falk-

two separate and equally ngly-worded statements, the f has flatly rejected a ernment suggestion that . 1 should be marked this r by a joint communique by unions ernment.

he movement also warned of the crisis," one statement

The movement said it still ported Argentina's claims to ereignty over the Falklands. But it stressed that "this ald not signify that we have gotten the serious ecenomic sblems and conditions which faced hy the workers, the ult of an economic policy it has submerged the country bunger and despair."

Fne statement came amid rwing indications that the ions, largely under the cont of the main opposition uping, the Peronists, are ploiting the Falklands crisis their own political ends. On Monday the CGT staged a of rally in front of the esidential Palace in May uare. Officially, the demonation was called in support the Government's defence of tional sovereignty during the Iklands crisis. But the rally d an underlining political

Banners proclaiming "English t of the Malvinas"— gentina's name for the Falknds—and "Homeland First" ere mixed with "Galmeri, iltieri. Take Note of the pople." Banned Peronist songs ere sung as many times as the stional anthem.
Some union officials have

But these officials are now aking a condition of their con- and technical co-operation dating olitical liberalisation, os well nning support for the Govern-tent during the Fakklands risis, a promise of greater s a change in the Govern-lent's economic policy.

Jnions give FUEL TANKS ACT AS BALLAST

### British ships need frequent refuelling to maintain stability

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

Britain's naval task force have the task force, to be refuelled every two or three days, which could affect advanced radar has also con-the flexibility of tha fleet now tributed to the "top weight" in the South Atlantic.

Frequent refuelling is neces-sary because the fuel tanks in these modern British warships act as ballast. If the tanks are drawn down by more than 50 economic consequences of Falklands dispute. "We vessel especially in high seas, and that the workers are made to carry the burden One reason for this is that One reason for this is that Invincible's cost

the weaponry of modern war-ships tends to be located towards the top of a ship. The newest Sea Dart missile, for example, is situated just below the upper deck. Only 25 years ago a warship's main armament—notably shells for the magazines for the 45 in or 4.7 in guns—were located in the bottom of

According to naval experts, the Type 42 destroyers and the Type 21 and 22 frigates now with the force—half of the official list of 16 warships— have to be refuelled frequently if their stability is to be maintained,

The Government has assembled a major fleet of tankers for the purpose. Five of the Royal Fleet Auxiliary's eight tankers are involved, while 11 other tankers have heen chartered from commercial companies.

One further RFA tanker,

MANY OF the warships in has been diverted for use with The need to accommodate

> of warships. However, if that is the major reason, some naval experts helieve warship designers have falled to cope adequately with the problems posed by the new conditions. It is reported that to correct the stability problem

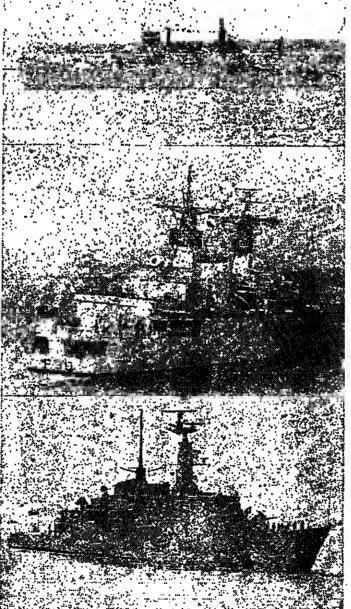
to Australia

THE AUSTRALIAN Government yesterday announced a range of defence cuts to pay for the purchase of HMS Invincible, the Royal Navy aircraft carrier at present with the British fleet off the Falkland Islands, Michael Thompson-Noel writes from

Sydney. In the current year, Australia is committed to spending A\$3bn (£1.8bn) on defence equipment, including A\$500m on the purchase of Invincible and her refitment.

the Type 21s-of which there are at least three in the South Atlantic-have had concrete laid in their hulls.

The problem has a number of key implications. The fleet has not ben able to travel much faster than its slowest tankarsome 15.5 knots. The large which had actually been sold tanker fleet also needs its own and was on the way to Chile, armed escort ships.



SHIPS with high "top weight": from top, HMS Sheffield, type 42 destroyer, HMS Brilliant, type 22 frigate and HMS Arrow, type 21 frigate

### Andrew Whitley writes a Buenos Aires diary

### Fine words and Latin gallantry

WATCHING the comings and LITERACY is over 90 per cent, goings of Mr Haig, the the highest rate in Latin exchange of bellicose salvoes America, and Argentina has had with Britain, and the sharp a fine newspaper tradition, changes of mood in Argentina over the past four weeks have been like being on a rollar coaster. Exultation one day, despair the next.

The generals play the negotiin a Verdi opera, full of fine words and Latin gallantry for what they are sure must be Mrs Thatcher's hurt feelings. The fact that they are dealing with a lady (even if she is said to be made of iron) must have convinced Argentina's macho men - if only subconsciouslythat they need not take toothless old Britain too aeriously.

FOR the sake of those who before "the events" thought of Argentina only in terms of football, Evita Peron and the pampas, it is worth repeating one catch phrase about the make up of Argentines: that they are Italians who speak Spanish and think of themselves as English. There is much truth to the observation. It belps illuminate the sense of principle as well as emo-tional commitment which Argentines bring to the Falklands

A WET, very English day in Buenos Aires. On days like these, when the black umbrellas jostle with each other along the pavements and the elegant cafes fill up with office workers having one last coffee before going home to the suburbs, it is easy to blink and think this is

a fine newspaper tradition. Clarin, an 8-page tabloid, is a good example of what popular journalism should be about. In contrast, years of censorship and a heavy military hand equating thought with potential ations as if they are taking part opposition have ossisted the in a Verdi opera, full of fine staid establishment newspapers La Prensa and La Nacion.

> THE CONTRAST in cultures between Argentina and its chief regional rival, Brazil, is striking. Most telling is the evident strength and depth of the middle and lower middle classes in Buenos Aires: creating a comfortable civilised lifestyle based on family restaurants, theatres and fashionable clothes. It is a lifestyle which has been badly squeezed by year after year of triple digit inflation and violent changes of economic direction. As the family treasures of generations are unearthed, the Sunday antiques market in the San Telmo district provides rich pickings for anyone who has dollars in his pocket Collectors note: art deco objects are particularly good.

RETAIL SALES of luxury goods had been disastrous for months. Then God sent the world's Press corps moving on from El Salvador, in a horde the mongols would not have been ashamed of Led by the American television networks, they have bought up half the

cleaning job. One, Oscar Gayuna—a 27-year-old mechanic ' 18 with four children—has already, been out of work for two months. He has to travel three them. hours each way by bus every be day to get into the city centre 'd land to look for a job. Outside the Mr. at., capital, he says, mose who can lead are clearing shop shelves in the preparation for a long difficult day and preparation for a long difficult day and the long difficult day are detailed and the long difficult day and the long difficult day are detailed and day are day are day are day are day and day are day are

preparation for a long difficult the period. He wishes he could do the same.

THE BALDING dapper pianist industry the Niarko's restaurant on Broad, at the Niarko's restaurant on Broad, at night on a weekday, the smaller plant restaurant is in a mostalgic balleran mood. Some of the young customars spinning out their glasses. mood. Some or the young glasses mars spinning out their glasses of wine were probably ont in Record in the control of wine were probably ont in Record in the control of wine were probably ont in Record in the control of the control the hig political demonstration the hig political demonstration earlier in the day denouncing Yankee and British imperialism.

Everyone joins in the planist's law was sorgs. The war the Government law was tognight. GENERAL GALTIERI opened

a Pandora's box when he invoked popular backing for the recovery of the Falklands, and he may well be having private worries about the dangers he has released for the survival of the military regime. "We fought to get rid trun of these people for the past st. 1. years, and now see what happens," one man shouted at high another in a crow craning to see the latest news on the newspaper's bulletin display of the newspaper's city, boosted Sheraton Hotel's boards. Peronism, the only hings and saved many an old established hat struggling restaurant. some great European metropolis, not a Latin American city
which its detractors — usually
Argentines themselves — say
has been on the slide since the
Second World War.

Second World War.

Second World War.

Comenack in the wake of an outcome which cannot be completed to a now vincingly presented to a now

### West German protests grow at BBC film on Argentina's nuclear plans BY JONATHAN CARR IN BONN

from November 1969, and the Germans are heavily involved in the building up of Argentina's nuclear power station capacity.

Despite a swift denial by the Bonn Government of the alle-

dispute over the Falkland Islands.

Last night the second teleview with a senior official of wision channel was rearranging its programmes to carry a major German power station special hour-long report on tha BBC film, which was shown in

building concern, rejecting the BBC claims.

A STORM of protest has blown gations made in the film, critical Government officials, the head devoted solely to the BBC film government-controlled concern, The attention being paid to the film partly reflects Ger-

Britain on April 19. Among

The liberal weekly "Die But it is also often felt here not only subject to West Gerthose taking part were senior Zeit" carries a special section that the BBC, although not a many's own export control laws,

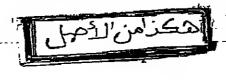
has a special authority as a "voice of Britain." BBC reports Agency (IAEA).
thus tend to be treated with While Argenting

According to the Bonn Government, West Germany has not delivered materials or technology to Argentina suitable for making nuclear bombs and there is no "secret agreement" .0a ob 01

Bonn, has not signed the Nuclear Non-Proliferation Treaty, the Germans say that Buenos Aires "de facto" has accepted IAEA controls. They do not helieve that materials

but to notification with the responsible and consistent in it-International Atomic Energy policy on proliferation of nut. lear weapons in recent deal

> 2, the latest reactor order placed by Argentina, the West Germans are said to have demanded and got a bilater safeguards treaty between the two nations which is tought. in terms than those set by th



In rel

en resisting pressures from thina could shortly produce the grass-roots of the CGT, who atomic bombs, thanks to help and to step up industrial from old Nazis and a "secret tion against continuing lay-Is and a wage freeze.

up in West Germany over a BBC film claiming that Argen-

agreement" with West Germany. West Germany and Argentina have an agreement on scientific

reaction to the BBC claims has of the German Foreign Policy and to the history of German-been steadily gaining strength, Association and Herr Franz South American nuclear co-and is tending to overtake the Josef Strauss, Minister for operation: while the weekly and is tending to overtake the generally understanding view Atomic Affairs in the 1950s.

At the same time, the restricted on the film, describing to the spected "Frankfurter Allge- lt as "rubbish."

The weekly the weekly thus tend to be treat operation: while the weekly thus tend to be treat that the same time, the restricted on the film, describing to the Bottomards Britain's position in the spected "Frankfurter Allge- lt as "rubbish."

meine Zeitung newspaper yesterday published an inter-

many's special sensitivity, for historical reasons, to suggestions that it is trying to boost the nuclear wespons potential of other countries.

Bonn stresses that deliveries sbroad of nuclear materials are

sultable for making weapons have escaped this next

While Argentina, unlike with Argentina. In negotiations over Atuch

David Fishlock writes: Senior London Suppliers Group in British officials say the West 1977, of which West German.

# ontracts

And the State of the

### **Fax refunds planned** o encourage Swedish shipowners

IY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

EDISH SHIPOWNERS can in tax refunds of Skr 250m (m) next year under a liamentary hill submitted

istry. he Government's intention o cut the costs of operating is under the Swedish flag to halt the decline in the

dish merchant marine. he tax refund scheme would for five years. In the first r companies could claim k 75 per cent of the taxes y collect from their crews. hips which are considered be important for national

he important for national price could claim a 100 pec trefund while passenger sels and ferries would obtain y 50 per cent. The percentage will be reduced gradually es will be reduced gradually the five years.

r the nve years.

hipowners operating at deficit of SKr 15.7bn.

fit would be able to claim • Efforts to combat the growing refund only if they guaran-

otiate agreements which ald further cut manning ts on Swedish ships. They estimated to be the highest

The Seamen's Union was extremely critical in its first reaction to the hill. The Shipthe Transport step in the right direction, hut

> The Swedish merchant fleet declined from 613 vessels total-ling 7.7m gross tons in 1976 to 484 ships of 3.6m gross tons last year. Over the same period the number employed in shipping dropped from 23,000 to 14,000. Several Swedish companies

an madequate one.

have taken to operating but not owning ships in order to avoid the crippling costs incurred under the Swedish flag.

Last year, the merchant fleet generated a net income of SKr 3.6bn, an important contrihution to Sweden's current account balance which showed a

refund only if they guaranit to use it for investments in
to ships.

The transport Ministry hopes
tax relief will induce the shipowners, Michael ThompsonThe transport Ministry hopes
tax relief will induce the shipowners, Michael ThompsonThe transport Ministry hopes
The t ters and sailors' unions to Noel writes from Sydney. Shipping movements in Australia were virtually at a standstill yesterday hecause of stoppages hy tug crews, and layoffs by

#### Japanese Eximbank financing at record

TOKYO-The Export-Import Bank of Japan announced yesterday it made financing commitments totalling a record Yen 1.620 trillion (million million), approximately £3.7bn), in fiscal 1981, ended March 21, up 75 per cent from the previous year.

The sharp rise reflected increases in the Eximbank's export suppliers' credits and direct foreign loans, notably for plant exports.

In addition, the banking agency boosted import credits overseas investment s foc large-scale credits developments projects, par-ticularly those related to liquefied natural gas (LNG), oil and aluminium smelting. The Eximbank entered into

326 export suppliers' credits in fiscal 1981 totalling Y677hn np 63 per cent from the

Soppliers' eredits for plant exports rose by 57 per cent to 242 commitments totalling Y529.5bn. Major credit commitments were made for steelmaking facilities in Brazil and China and copper-smelting facilities in the Philippines.

Ship export credits came to 84 commitments totalling Y147.5bn, np hy 85 per cent.

#### UK industrial exports to EEC curbed, figures show BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

1981

Road Vehicles

Chemicals

Beverages

Manufactured Materials

apears to have been checked, according to an analysis of the latest trading figures, worked out on a volume basis. Lv

Freight Information Services. Over the three years 1979-S1, the EEC share of Britain's total machinery exports fell from 33. to 29 per cent. Over the same period, the compacible figures for road vehicles are 45 to 39 per cent, and for heverages 27 to 26 per cent.

Although the percentages of count surplus. the UK's manufactured materiala exports going to the EEC rose from 38 to 41 from 1979 to 1980, it slipped back to

40 per cent last year.

The slipping EEC share has taken place against the hackground of a more general decline in the volume of expectation there related by the state of the ports in these selected buy key over three-quarters of all British exports.

Inded, the striking feature of the figures is that the only area where there have been increases in export volume throughout the list is in the Middle East and North Africa.

This reflects the continuing high level of capital investment throughout the area, although this might begin to fall off in the face of the glut on the world oil markets.

But the figures cannot he

THE RISING trend of British Freight Information Services industrial exports to the EEC had to embork on a complicated series of calculations based or trade trends modified by seasonal variations to reach an estimate for 1981 volumes.

However, the use of volume statistics for the key aectors tends to emphasise that although the general performance of industrial exporters held up well last year, the role of petroleum and invisibles ex-ports has risen to paramount importance in the current ac-

This surplus has been estimated at a record £8bu for 1981, although it is thought milikely that such exceptional figures are likely to be repeated this

The Freight Information Services figures hear out the general impression that British exports, despite the increases in productivity over the last year, have continued to suffer from the sharp loss of competitiveness which occurred in 1979-

At the same time the recession and the more stringent monetary and fiscal policies adopted through the industrialised world help to account for both the check in the rise of exports to the EEC and the generally sluggish performance in the rest of Western Europe and North America.

That the overall volumes have taken as conclusive. The civil remaioed as high as they have servants' strike last year and reflects the diversity of the the absence of accurate statiswas noticeable that during increuse in overseas investment market.

his last weeks as Trade Secre- at a lime when the flow of to argue the case for the main-

usual stand of stressing the importance of the EEC market. It was precisely this diversity, he argued, that allowed exports to maintain a high level in the face of the recession in the industrictised countries. Indeed. he went further to urge an

tenance of this diversity, in con-

trast to the Government's more

tary, Mr John Biffen, had begun revenue from North Sea oil is strong.

KEY EXPORTS AND MARKETS

31 29

TOTAL TRADE

2.327

7.509 1.359

.777

Nevertheless, the shrinkage The British Overseas Trade in the volume of exports to Board has noted that the loss Europe must be a disappoint of competitiveness in 1979 and Nevertheless, the shrinkage ment to the Government which, in its reorganisation of the Department of Trade support services for exporters set up in 1980 an Exports to Europe branch to encourage companies to think of the EEC as the home

It seems likely that the trends mation Services statistics will show scant change this year.

Source: Freight Information Service

31

1980 will continue to affect performance. Although it expects world trade in manufactures, weighted by UK market share, to grow 45 per cent this year, it forecasts a rise in the volume Britsh goods and services

PERCENTAGE SHARE OF SELECTED MARKETS

N. Africa

W. Europe

### Istitution

#### Fresh bid for melter in **Philippines**

ly Emilia Tagaza in Manila EYNOLDS International of e U.S. has submitted a resh bid to build the hilippines first aluminum neltec, scaling down lis riginal proposal for a \$450m £250m) plant which was lven a go-shead in 1980.

Reynolds' new proposal is construct a \$150m smelter ith an annual capacity of 5,000 tonnes of different luminum products. The riginal \$450m plant was esigned to produce 140,000 mnes annually.

An aluminum smelter is ne of the Philippines 11 najor industrial projects lesigned by the government o shift the country's indusrlal base.

Implementation of Rey-nolds first project was stalled because of disagreements with the state-run National Power Corporation (NPC) on power Being an energy ntensive plant, Reynolds regotiated for a rate which is ower than NPC's prevailing

When the project was suswinded early last year Billiton international Metals of the loyal Dutch/Shell group and (1) limited Dutch/Shell group and landsusse of Switzerland subsitted their proposals for a 450m smelter.

While the Ministry of adustry is evaluating layonids plans, it said that it i also looking seriously at an fier from Mitsnhishi Light letals of Japan. Ministry officials say that

to Japanese company has fered to sell a slightly used luminum smelter with an

amual capacity of about 40,000 tomes.

Mr Roberto Ougplu, Trade ad Industry Minister, said tat Reynolds' offer is interating because it features inegrated operations. He said tat smaller plant can produce ownstream products like luminum wire rods.

#### **Record Swiss** tourist season

By John Wicks in Zurich SHARP rise in the number British and American purists has been largely esponsible for a record inter sports season in witzerland.

Some 35 pec cent more isitors from the UK and 30 er cent moce from the U.S. sed Swiss hotels in the tree months from December l February, compared with rise of 2.5 per cent in the rerail tourist volume.

The number of overnight ays in Swiss hotels reached peak of 7.69m despite an per cent drop in the number ! German tourists, due to the taker D-mark rate.

#### Thai Premier hopes for UK investment

By Colina MacDougall

Gen Prem Tinsulanonda, Prime Minister of Thailand, said in London yesterday he had high hones that Britain would invest in technology for the develop-ment of Thailand's eastern seaboard. British

companies have already done a feasibility study for the project, where a gas separation plant, deepwater sea port and container port are planned.

Thailand's eastern seaboard is where natural gas, which came on stream last October, comes ashore. The development plan for the

area includes exploitation of Thailand's oil. Gen Prem is leading a 50strong delegation of economic ministers, businessmen and bankers. While no contracts are expected to result from the trip some progress has been made on the proposed £365m extension by Davy McKee and two French concerns of the oil refinery at Sri Racha, south-

east of Bangkok. At a meeting between Gen Chatichai Choonhaven. Thai-land's Industry Minister. and Mr Peter Rees, British Minister for Trade, export credits for the deal made some progress. though the British are not yet happy about Thai Government guarantees.

#### Baghdad metro date decided

By Our World Trade Staff CONSTRUCTION of the Baghdad metro system, which is expected to cost more than 23hn, will start in August next year, slightly later than was first envisaged.

The hasic design of the trans-port system, which is expected to carry lm passengers a day over a network of 32 km, is heing undertaken by the British Metro Consultants Group, a consortium of ten companies.

But detailed design contracts have not yet been awarded. The Baghdad Rapid Transport Authority has advertised, however, for both consultants, electrical and mechanical contractors to pre-qualify for such contracts and for the manufacture and Supply of plant.

The hasic design, of British Metro Consultants has been accepted by the Iraqi authori-

British Metro Consultants. which have a contract lasting until 1989, is made up of W. S. Atkins, Design Research Unit: Freeman Fox: Sir William Hal erow, Halcrow Fox; Charles Haswell; Henderson Busby; Kennedy and Donkin; Merz and McLellan, and Rendel, Palmer and Tritton, London Transport International and Transmark the BR unit, are associates.

### India awarded £144m Iraq rail contract

BY K. K. SHARMA IN NEW DELHI

netion Company (Ireon) has en awarded a Rs 2.37bn 144m) contract by Iraq for ang a 150 km railway line. Is is the first major contract n by the company, which has \* work overseas.

The contract is considered nificant as Iraq turned down lian Railways for a similar il about four years ago, ing preference to a Brazilian spany. It was then that the ternment decided to form

reon has already carried out ar work in Iran and now has stracts on hand worth more expected to increase to

TE INDIAN Railway Con- Rs 4hn this year.
Section Company (Iron) has In a separate development, India and Vietnam have set up a joint commission to identify projects in Vietnam in which the Indian Government can assist. These are expected to

assist. These are expected to include developing the railway system and improving the working of textile mills and agricultural methods.

The decision to set up the commission was taken at talks between Mr Nguyen Co Thach, the visiting Vietnam Foreign Minister, and Mr P. V. Narasimha Rao. India's External simha Rao, India's External

Affairs Minister. India already helps Vletnam in various development projects in addition to providing food N. Kaul, its chairman. This aid and export credits Rs 100m annually.

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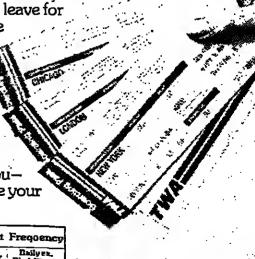
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Heathrow-New York	12.00	14.35	747	Daily
Heathrow-New York	15:15	17.50	747	Dally
Heathrow-Boston	11.30	13.35	747	Delly
Heathrow-Chicago	12.30	15.00	747	Dallyez. Mon. Wed.
Heathrow-Los Angeles	11.00	14.05	747	Daily ex. Mon. Tues.

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ar plans

By David Fishlock, Science Editor

SOURCE of finance, called Cogent, to assist the transfer of new technology into the market has been announced in the City. Cogent, described as a financial catalyst for the final stages project development, is backed by two major investhouses, Commercial Union Assurance and the Legal

& General group. They have pledged £6m to a joint venture backing the development projects of AICRO. the Association of Independent Contract Research Organisation.

Mr Tony Gray, chief executive of Cocent said it was not a vecture-capital company but one that managed development contracts. It was not seeking ideas but would draw from a portfolio of projects already ought to pilot-plant stage by AICRO members.

The nine member-laboratories of AICRO with a staff of 4,000 researching a hroad spectrum of industrial science, carned about £70m last year.

Cogent wil lhave a small. specialist management team resources of its two financial backers and AICRO

It would identify host companies willing to commit thentelves to explaiting the project once the final stages of development had been demonstrated successfully. Such host companies would probable he UK-

#### Sony to go into TV rental market

By Guy de lonquieres SONY of Japan is to challenge companies like Philips, Thorn EMI and Rediffusion in the £1bn-a-year British market for rented televisions and vidco

tape recorders.
Sony Rental will supply and maintain equipment to he marketed by its nationwide independent dealers network. A film advertising campaign begins next month.

Few Sony sets are rented at present, and less than one-third of its dealers offer rental farili-The company is alming at a 50-50 split between rental and

Sony Rental will offer dealers a fixed commission for each rental contract they conclude and will take responsibility for delivery, Installation and customer service. Sony makes colour television sets in South Wales and imports video re-corders from Japan.

#### Merger vote

THE Association of Certified Accountants has voted ot supporting priociple - a mercer with the Institute of Cost and Management Accountants (ICMA), The results, announced yesterday and based on a 16 per cent poll, were 56 per cent in favour, 40 per cent against and 4 per cent abstalning.

Mr Ronald Spencer, the retiring president of the association's council, said stock would he taken of the vote, though it fell short of the two thirds majority normally required. The council would await the result of a similar poll in he announced by the ICMA today.

#### Prisons' in crisis'

AN OVERALL drop in the prison population last year brought the service back from the brink of imminent catastrophe but left it in a state of chronic crisis, Mr Dennis Trevelyan the head of the Prisons Service, said yesterday. He said 1980's overcrowded conditions had not in-improved in 1981: "In some establishments at pare shr eta estafblishments and particularly when the population rose to its peak of 45,000, they worsened."

#### Rolls-Royce loss

ROLLS-ROYCE, the state-owned | quality chiphoard-or particleaero-engine maker made a £22m pre-lax loss in 1980 and not a profit as printed in yesterday's paper.

### Britain's oil 'good for 50 years'

males that the UK continental ventures on the confidental shelf could still contain as shelf last year. much as 4bn tonnes. With last year's demand for oil products. including refinery fuel running at 71.6m tunnes per annum, the The level of exploration was remaining potential reserves are the highest since 1977 and sufficient to meet needs to heyond the year 2037.

But the department warms that there are considerable geothe amount of oil which has still to he discovered. It was possible that total reserves may amount to only 2.1bn tonnes. At last 189.4m tonnes) these reserves 1981/82. would be depleted within about

Brown Book—says that proven timental shelf could be as much—shlen—number of platforms Gan Resonand probable reserves in exist—as 1.8 trillion (million, million) should be ordered during the SO; £5.50.

Sea and other offshore areas tonnes. Recent exploration in of production — 37.4 cubic them would be small compared are sufficient to meet the curthe more speculative areas, like metres — these reserves would to most North Sea structures. rent rate of UK oil demand for the South Western Approaches, last for about 48 years. well over 50 years, according to bad been largely disappointing. a new Lovernment report. However, there had been a number of encouraging drilling

> A total of 73 exploration and appraisal wells were drilled in 1981 compared to 54 in 1980. resulted in 12 discoveries; the biggest number since 1976.

> Total revenue from the sale year compared to £8.9hn in Gas revenues totalled £800m. Taxation from oil and

The report says that total 3 years.

remaining recoverable reserves today by alockbrokers Wood,
The report — the so-called of natural gas on the UK con Mackenzie says that a "reason-

Total capital investment ln oil and gas production last year was £2.8bn, about one-fifth of total UK industrial investment. So far £26bn has been spent on exploiting North Sea oil and gas reserves

The total value of orders for goods and services placed by offshore operators last year was a record £2.9hn. British companies secured contracts worth - or 67 per ceot of the

But the offshore supplies industry is worried that a hiatus in oil platform building tal reserves may amount gas activities amounted to contracts in the past two years 2.1bn tonnes. At last £3.9bn to 1980/81 and about could lead to a general fall in level of production £6.4bn in the financial year orders and substantial reduncontracts in the past two years

A North Sea report published

OIL RESERVES in the North ing discoveries amount to 1.6bm cubic metres. At the 1981 rate next few years. But most of

The brokers see the possibility of 10 platforms being ordered this year: one for Total's North Alwyn oil and gas fields: one for British National Oil Corporation's Beatrice field; five for British Gas Corporation'a Morecambe field; and three for the Gaa Corporation's Rough field.

In addition seven platforms could he ordered next year: one for Shell's South-East Indefatigable gas field: two for Amoco's East Leman gas field; one for Shell's Leman "F" gas field: and three more for the Morecamhe field.

The brokers development programmes would be influenced by oil and gas prices, taxation policies and—in some cases-plans for gas Iransportation systems.

Development of the Oil and Gas Resources of the UK, 1982;

### Consortium finds more oil in Hampshire

BY OUR ENERGY EDITOR

GROUP of onshore oil comthe Humbly Grove Field in

Carless, Capel and Leonard the constorium's operator said yesterday that a second well drilled in the promising field had tested oil at a rate of 750 barrels a day (b/d). - In addition to the high grade oil, with a specific gravity of 38 degrees API (American Petroleum Institute), natural gas

a day had been tested in one section of the reservoir rock and a flow of 2m cu fr a day emerged from a deeper formation,

The well was drilled about December-Fehruary paoies have struck more oil in half a mile north west of the discovery well which is cur-rently yielding oil at the rate of 100-120 (b/d). Carless said that appraisal of thereservoir would continue with a new well drilled about one mile east of the originat discovery.

> Interests in the Humbly Grove Exploration, Candel Petroleum, Hason Oil UK Onshore, Marinex Petroloum, and St Joe Petro-

The companies have received A gas flow rate of 3.28m cu ft Hampshire Council approval to drill three appraisal wells.

rose by 1.2 per cent compared with the corresponding three months a year earlier, according to Government figures published yesterday,
Demand, measured on a pri-

mary fuel input basis, amounted to the equivalent of 95.2m tonnes of coal. The demand for natural gas - up 7.9 per cent - accounted for all of the increase in energy use. The consumption of all other fuels continued to fall, coal by 0.7 r cent and oil products hy

Wheo the demand was recal-culated to consider weather variations, the underlying trend • TOTAL ENERGY consumption in the UK-during the in overall energy demand was

0.8 per cent

quarter still seen to be falling. On an ompared adjusted basis demand in the particularly cold December-February quarter was 3.5 per cent below the corresponding level of the previous year. Oil consumption was 5.4 per cent lower while coal demand was down 4.7 per cent.
The Government's Energy

Trends publication shows that oil production, mainly from the North Sea, rose to 23.1m tonnes December-February period, 7.3 per cent more than in the corresponding quarter a year earlier. In contrast refinery output, at 18m tonnes. depressed demand for oil pro-

### Light steels go on trial in motor industry.

BY ROBIN REEVES, WELSH CORRESPONDENT

for the European motor indusmental to the application stage. properties.

BSC is confident that its

receiving trial quantities of high-strength steels of varying develaped specification, BSC's Welsh laboratory

Chipboard

factory

By Mark Meredith.

is new owners.

officials.

market.

Scottish Correspondent

to reopen-

CHIPBOARD factory

supplied, is to be reopened by

Caherhnaro of Cowie near

Sterling-a subsidiary of the

West German Bisonwerke com-

pany-yesterday announced it

had purchased the assets of

Imports account for an esti-

mated 7h per cent of the mar-

ket, and Brtish producers have complained about this.

board was used in 1979 in the

UK. In 1981 incomplete figures point to a consumption of 1.76m

cii melres, according to industry

financial director of Caberhoard.

says his company is looking for-

ward to an improvement in the

Caherhoard plans to instal a

single production line at Irvine.

conovies two former produc-

tion lines. It will make one high

The plant will initially em-

industry-for furniture

pluy 60 people

as it is known in the

Maistair Harper, the

Almiii 2m cu metres of chip-

Scothnard and hoped to resume

operation in the autumn:

Steel Corporation to develop panels 18 per cent lighter than lightweight high-strength steels traditional steel panels, which retain the same strength, resistry is muving from the experi- lance to denting, and welding particular by U.S. legislation

manufacturers are have established the hasis for They include tall sections for economy.

manufacturers are already more advanced in utilising high-strength steels, encouraged in against "gas-guzziers."

PSC is confident that its The heavier a vehicle, the researches on high-strength more petrol it consumes. U.S. steels in the past four years motor-manufacturers have tried cutting the weight of their further leap forward in vehicles by using thinoer steels European motor vehicle per and lighter materials such as formance, particularly fuel aluminium and plastic-Steelmakers have an obvious

U.S. and Japanese - motor stake in ensuring that the motor industry uses as much steel as possible

BSC's Welsh laboratory has made a comprehensive investigation into ways of producing strip steels with enhanced strength-weight ratio, so that they can be rolled more thinly remain competitively-priced and retain ductility and "formability." the capability to be moulded by normal pressing techniques into difficult shapes.

### Barclays predict decline in interest rates soon

UK INTEREST rates should resume a downward trend soon unless the financial markets

suffer a major disruption from the Falkland Islands crisis, Irvine in western Scotland, which closed last October Barclays Bank says in its latest financial survey. hecause the market was over-The hank helieves that UK

ratea are likely to fall as part of a worldwide trend resulting. mainly from the reduction of the Inflation rate in the U.S. It says the current high

global rales may he traced to the most "common-sensical the high U.S. rates which re- observation" is that monetary the high U.S. rates which result from imbalance between fiscal and monetary policies and the resulting prospect of high

BY MAX WILKINSON, ECONOMICS CORRESPONDENT Barclay ssuggests noe reason for the high interest rates is that central hanks-particularly In the U.S.-have been prepared to tolerate increased volatility hecause of their concern for monetary control. As a result, lenders bave required a higher risk premium to be incorporated toto long-term

> However, it says that perbaps authorities have had to drive up short-term rates in their attempts to cootrol the money

### NatWest plan for retired

BY OUR BANKING CORRESPONDENT

BANK has launched a monthly income account to meet needs of 12 per cent, initially, will be of retired people. It is the first pald monthly to a current in a series of new products account, supplementing the which the bank is introducing customer's monthly cash flow. under the label of its Saver

Service.
The bank believes the new services will strengthen its role as a big savings bank in lts fight with the building societies. account, at present 104 per Significanity, the new account cent.
will be handled by a central A the bank's growing are required.

NATIONAL WESTMINSTER house-mortgage business. Interest on the naw account

> Interest is paid without deduction of tax and ia variable though the intention ts that it will exceed the rate on a conventional seven-day

will be handled by a central A minimum of £2,000 and a unit in Birmingham which promonth's notice of withdrawal

### **Business** optimism

By Nick Garnett, Northern

RUSINESS CONFIDENCE has increased in parts of the North West, according to A survey by the Mancbester Chamber of Commerce and Industry.

number of companies believing that turnover and profitability will improve in the next 12 months is the highest for the past year, says the survey of 63 companies covering a wide range of manufacturing. Even so, they represent less than half the companies in the survey. Companies in industries that bave been suffering structural decline, such as textiles and construction, say they see no signs of any early

recovery. They believe re-covery rests with newer, more resilient lodustries. Home orders and home and export deliveries rose in the first three months of this year for 38 per cent of the companies - a nigher figure than throughout last year.

are better than three months

smaller than at any time

since March last year.

# up in NW

position than Camden. sure, the judge concluded.

or speedily as was required. settlement which might,

terests, he said. mented.

Great publicity-mucb of i the survey say export orders

### **Councillors** in Camden 'not illegally generous'

By Raymond Hughes. Law Courts Correspondent

THE RULING Labour group on the London Borousi of Camden Council has defeated a claim that it was "illegally generous" negotiated a local settlement of the nationwide "dirty johs" strike in 1979

Two judges in the High Court resterday dismissed an application by Mr lan Pickwell the Metropolitan District Auditor, for an order that 3t past or present members of the Lahour group should personally pay hack the £950.000 he alleged had heen overpaid to end the alrike hy the council's manual wor-Lord Justice Ornirod and

Mr Justice Forhes refused to rule that the councillors had acted unreasonably in negoliating a local settlement on terms higher than those subsequently agreed nationally.

Lord Justice Ormrod said that it was not for the court to

say whether Camden had made a bad bargain for its ratepayers. That, he said, would be a matter for the voters at the next elec-

tion.
Mr Justice Formes said that the strike had hit Camden harder than many other London boroughs. The council had been faced with a position where its vital services had been so disrupted that real hardship had been caused to the elderly and the handicapped as well as com-

mercial ratepayers.
"The whole administrative machine of the borough was in imminent danger of having to close down." The judge said.
There was no evidence that the councillors had colluded

with the strikers or heen swayed hy "phllanthropic enthusiasm," hy "phllanthropic cnthuthe two judges agreed.

But they also agreed that the District Auditor—the rate-bayers watching—was not to he criticised for bringing the malter to court.
The District Auditor had

argued that the Camden settlement had been up to 44 per cent higher for some grades of workers than the national settlement of the dispute. His mathematical approach

had been disputed by the coun-cil and, said Mr Justice Forbes. the divergence of opinion on such an important matter must cast doubt on whether: It could be said that no reasonable local authority could possibly have acted as Camden had:

The judge quoted extensively from evidence by Camden's Con-troller of Personnel Services the borough, and about the fact | 50 per cent over the previous that the conneil had been faced with a challenge from its employees who had been "deter-mined and ideologically commit-gramme.

The evidence showed, said the judge that nearly all other London boroughs had been in a much more favourable

The Labour group's decision bad not been taken freely and voluntarily and without pres-

Apart from the effect of the strike upon its services, it had believed, not unreasonably, that, the national negotiations were not being pursued as effectively The fact that Camden had, in its circumstances, agreed to a other circumstances, have been regarded as excessive dld not mean that the councillors bad acted unreasonably or had ignored the ratepayers'

A decision taken in an emergency must not he scrittinised as closely as one not taken under such pressure, be com-

hostile—had heen attracted by the Camden decision. The Dis-trict Auditor had clearly bought that Camden had given in too easily, and without a fight, to the strikers' demands. But there was nothing to suggest any collusion or collaboration hetween councillors and strikers, said Mr Justice Forbes.

### Fair Trading chief urges monopolies probe into LEB

BY DAYID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

determine whether or not the Board is operating its High Street showrooms against the public ioterest.

Mr Gordon Borrie, Director-General of Fair Trading. announced the move vesterday, after a 10-menth inquiry into the trading practices of the LEB-the largest of the area electricity boards. The OFT found that the Lon-

don Electricity Board was con-sistently running its retail showrooms at a loss and thus failed to reflect its true costs of operation in selling electrical appliances. The Brand was able to run at a loss because they were subsidised by revenue from the sale of electricity the

OFT concluded.

Independent retailers of elecirleal appliances had com-plained to the OFT that the LEB's policy gave it an unfair advantage.

The inquiry found the LEB bad only about 7 per cent of the market for electrical appliances, in its area-worth about £250m. However, the board bad the biggest market sbare of cooking and heating

The LEB's prices were broadly similar to those of its competitors, but its prices were significantly below competitors in a four month period last year. The OFT said a significant price increase would have been

THE RETAIL activities of the eliminate the loss expected to Lundon Electricity Board are 1981/82. Such an increase to be referred to the Monopolies would have cut the board's and Mergers Commission to market share and sales revenue,

from its retailing activities for the past five years. The loss increased from £1.3m in 1976/77 to £3.5m in 1980/81. The OFT said that "In directing and managing its business in such a way as to give rise to losses and in failing over a lung period to take effective remedial action to eliminate those losses, the hoard is pursuing a course or conduct within the terms of

the Act." The OFT noted that the Government's cash limits were the only financial constraint on the LEB's retailing activities. The limits applied to the whole electricity supply operation and not just retailing.

The LEB said the OFT had failed to take into account the non-retail activities of its showrooms. These included services such as accounting; cash collection, and public inquiry points supply. The LEB beheved that every aspect of shop operations should be efficiently run and accountable. It accepted that the losses on appliance sales had to be eliminated and the board had already taken steps to achieve this.

• "London Electricity Board ": a report by the director general of fair trading, Field House, Breoms Buildings, London, EC4. required in this period to Free.

### Half of school-leavers join youth jobs scheme

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

leavers started working life on the Youth Opportunities Programme and this year's proportion is likely to be still higher.

Intake on the programme last year was a record 553,000 people. This year it is expected hat 630,000 teenagers will enter the programme, which is due to be replaced in September, 1983, by thenew year-long Youth Training Scheme.

Mr Roger Dawe, the Man-power Services Commission': director of special programmes, sold yesterday that the fourth full year of the programme had seen an increase of more than year and well over three times as many entrants as in 1978-79,

Youth Programme has still 17 months Opportunities Programme. 2 to run before the new training Mr Morrison said: "Proper to run before the new training scheme is introduced in Septem-training for young entrants to her, 1983. I has still a crucial the labour market must be a part to play in helpiog this prinrity. Training must become

ONE in two of last year's achool- it will be developed and Improved as a bridge lowards the new scheme;" he said. The new scheme-apart from

programme's -stx-month maximum-will offer young people organised training and further education as well as work experience, which is the basis of most programme schemes.

Mr Peter Morrison, the Employment Minister who has special responsibility for training issues, told a Confederation of British Industry conference in Harrogate yesterday that he boped 100,000 of the new-style Youth Training Scheme places would he available by September-a year aboad of the formal launching. The provision of many more high-quality training places was crucial in the transition from the Youth

training for young entrants to year's unemployed school an everyday part of the employ-leavers. It will not fade away: ment of young people."

### Company liquidations up

the first three months of the year, says the Department of Trade in the latest issue of its weekly official publication, British Business. The total of 3.776 liquidations

is the highest for any quarter on record. There were 2,350 in the last quarter and 2,612 in the first quarter of 1981. The seasonally-adjusted figures show similar Increases. Last summer's civil servants'

strike continues even now to obstruct any clear view of the underlying trends in national insolvency statistics, says the department. One notable feature of the figures is that creditors' voluntary liquidations comprise over 70 per cent of the total. Com- as "the first of significance

panies in receivership are not since the steep upw included in the statistics and started in early 1980."

COMPANY liquidations have compulsory liquidations make shown "an appreciable rise" in up the balance. Compulsory liquidation figures are the more likely to have been affected by the strike and could have the effect of a further near-term increase in the aggregate figurea as the strike's compilcalions are finally resolved. Bankruptcy figures, which relate to insolvent individuals

partnerships,

improvement.

adjusted figures were 1,392 for the first quarter, almost the months and not much above the 1,371 for the first quarter of On a seasonally adjusted basis, bankruptcies actually fell from 1.352 in the last quarter of 1981 to 1.270 in the first quarter of this year.

department describes this fall

since the steep upward trend

### Non-domestic rates place a 'burden' on business

BY ROBIN PAULEY

NON-DOMESTIC rates are a moving to other premises, the highly damaging burden on ppaer adds. business and employment hecause they are levied as a lump sum which has to he paid irrespective of the financial position of the company, says the London Chamber of Commerce and industry in a report pub-

The chamber allacks reports published last year by the Greater London Council and the Association of Metropolitan Authorities which, it says, purported to show rates as an insignificant cost. It was irrelevant to make

comparisons with other industrial costs such as energy or post or telephone increases cent had reduced staff numbers which allowed a company a of economisting and stabilising its deht or at least London said they would do so much work and controversy in limiting the extent of its growth. No such choice existed in the case of rates—unless a company restricted to drastic action such had decided to close down or as leasing out or despite the control of the co

were no profits because on tax

don than anywhere else in the country, and excessive increases Environment Secretary, is unwould force some companies to decided but his senior officials

the chamber showed that 38 per funding local hecause of rate increases, and 45 per cent of those in inner and was only achieved after over the next two years if rates and out of Parliament. Also

Payment hy instalments. where allowed, was a help-bul had nothing to do with ability to pay. Although it was true that non-domestic rates were allowable against Corporation Tax, this did not help if there

was then paid. Rate hills were higher in Lon-

A survey of 505 companies by

# Row breaks over education funding plan

the Environment and Education Departments over wbether the responsibility for funding the lion's share of educationenablining rate bills to be cut by maio Environment objection is at least 25 per cent.

The Department of Education and Science says this should happen through the introduction of a new and separate education grant which it would control, and argues the case persuasively in a confidential report for the Cahlnet. Michael Heseltine,

make the choice between mov-ing elsewhere or clusing down. separate grant for education undermines the concept of through the block graot system, which has fust been introduced they think the Education Department plan will increase as leasing out or demolishing run down their London busi-surglus accommodation or nesses.

The defected to close down to the surgiciant of the surgiciant o -such as housing, social aer-

grants. The Treasury is thought to be Department's plan and officials in several departments feel the from civil servants there simply trying to defend their empire. They do not want the Educalion Department to take control of the most important and

expensive chunk of it. .. The long and detailed Education Department's paper says the education service would have a "clear benefit," and the partnership hetween central and local government would be improved and not destroyed by. a 75 per cent ceotral grant. The separate block grant

acknowledge the national. dimension of the education service, as the effective rate of grant for the police service does aiready." A higher rates of grant would

assist in moving closer to the

educational objectives:

would be supplemented with

some limited specific grants

A ROW has broken out between vices—to demand separate • To encourage a more even pattern of educational expenditure, relative to need, across the country: • To encourage local education

authorities to have regard to

the Government's priorities in the education service; • In enable the Secretary of State to promote innovation and developments in specific areas of national importance; • To reflect more clearly the partnership between central and

local government, embodied in

Removing education from the

the 1944 Education Act.

current block grant system of casb allocation to local councils and replacing it by a separate grant would still require a grant related asseas-ment (GRE) for esch authority. The grant lotal would be cashlimited as a fixed proportion of areas of national priority. For of education is seen as a good the Government's plans for direct encouragement, limited solution. local education authorities total -powers topay grant for specific expenditure on education. The mechanism for teducing

vergence of levels of expendiment - while maintaining staff ture around GRE than the block levels without question. grant presently does."

would not affect the division cils and the Government; nor

of reallocating the functions of ia an increasingly unlikely the GLC and the metropolitan runner. councils, which is currently the paper aays. provide only an indirect means

... purposes would be needed. Some councils have met

The Government has virtually The changes will be controver- accepted that there is on suitsial, particularly among county able singe alternative to rates councils which will argue that other than a local income tax. their entire roison d'eire is be- which cannot be introduced for ing transferred to central gnv- some years. A sales tax has ernment. But the paper argues been ruled out; an Environforcibly that the arrangementa ment Department paper on poll tax, prepared for a meeting of of responsibility between count he Environment Select Committee-next week, is remarkwould the distribution of local ably thin and indicates that authority functions be altered. more atatistical work needs to "Equally, the practicability he done on this option. But it

The Government feels it cansubject of a separate study, not go empty handed on rates would not be affected," the yet again to the Tary Party conference in the autumn. A The education grant would White Paper on updating rates and reducing them substanof encouraging initiatives in tially by altering the funding

A 75 per cent education grant would cut average rate bills by an average of 25 per cent — although it would not grant to "overspending" coin- education cuts by reducing procent — although it would not cits should be retained and vision of school textbooks or reduce the overall level of taxawould be sharpened to "put teaching physics and chemistry tion and could well increase it greater pressure towards con- with little or no decent equip- marginally.

#### Booklet urges company rates based on profit By James McDonald ..

A LOCAL corporation tax based on a company's turnover or profit is one of a number of changes in the local government rates system proposed in a booklet published yesterday by Aims of Industry, the free coterprise pressure group. This would be fairer in the business community which should also he enfranchised by allowing one vote per premises occupied, writes Mrs Patricla

the Greater London Council ! Mrs Kirwan also proposes that every income tax pager should be coded for residence and local tax applied, "com-puter-transferred to the credit of the appropriate authority."

She also suggests that the

Kirwan, a former member of

Inner London Education Authority should be composite of representatives of borough councils or should directly elected. Loidoners one the Rotes, 29 Patricia Kirican, Aims 1 Industry 40, Doughty Stra London WCI, £1.30.

ding chief mopolies to LEB

### **UK NEWS**

### Speed-up in telecom equipment sales urged

BY GUY DE JONQUIERES

THE GOVERNMENT is pressing British Telecom and its main traditional suppliers in traditional suppliers speed telecommunications alisation by allowing the early private sale of equipment that at present can only be sented from BT.

The move is intended to leap-frog the formal three-year pro-gramma for removing BT's monopoly on most types of equipment set in motion at the

equipment set in motion at the beginning of October.

Ministers are disappointed that, in spite of all the publicity which has surrounded the programme, almost no approved new appearatus has so far appeared on the free market through outlets other than BT. The Industry Department, which is administering the programme, is under increasing political pressure to achieve political pressure to achieve

Officially, full liberalisation must await the definition of new technical standards for equip-ment, due to be published in stages from July. But Ministers suggest that equipment aiready approved and supplied by BT should be released for private sale before the standards are

The Government also wants to accelerate private sales to give British manufacturers an opportunity to establish them-

peting equipment.

A particular effort is being made to speed private sales of telex terminals for attachment to the public telecommunications network. Under the original programme these were due to remain part of BT's monopoly until next October.

BT said yesterday that it was ready to consider advancing the date for private sales if its three telex suppliers agreed. These are ITT-Creed; Trend, part of the Phicom industrial holding group; and Transtel Communications, a subsidiary of Northern Engineering

Transtel bas for some time been seeking the right to sell privately a sophisticated electronic telex machine which it supplies to BT. But it has complained that BT has been reluctant to give its agreement. BT has placed sizeable orders

with ITT-Creed and Trend for telex machines which it is renting nationwide but is supplying Transtel's terminals only in the City of London where about 140 have been installed. Transtel believes it could sell many more of its machines if it were able to supply them direct to

ITT-Creed, which has received a £20m order from BT for its new "Cheetah" telex, says it selves on the open market would also favour an early before allowing imports of commove to private sales. Mr John

Selby, managing director of Trend, said yesterday: "We will go along with whatever BT

But throwing the market open to private suppliers immediately could provide unwelcome competition for BT. It only recently began to offer modern electronic telex machines as replacements for the stock of 120,000 against terminals in use 120,000 ageing terminals in use in Britain.

to see other BT-approved equip-ment—including perhaps some private branch exchanges offered for private sale soon. But much will depend on whether the manufacturers are prepared to co-operate.

Earlier this year the Industry Department launched a plan to release for private sale a small number of telephones offered by BT as part of its "special range" of rented apparatus. But the plan foundered because

So far BT is the only organi-sation selling approved tele-phones direct to the public. It is setting up a chain of telephone shops and this week taunched a mail-order campaign.

tha manufacturers have been

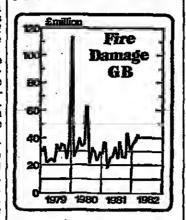
retail outlets competing with

Thing to supply them to

But approved telephones are soon expected to go on sale in competing retail outlets

#### Fire damage costs rise by £4m

TWO MAJOR fires, each causing damage in excess of £3m, boosted total fire damage costs in March to £41.5m. Costs were £4m higher than in February and more than double the costs for March last year. Figures released yesterday by the British Insurance Associa-



tion show that fire damage costs have risen in four consecutive months and confirm that last year's drop in costs was only a temporary phenomenon.

Total costs in the first three months of this year are

more than those for the first quarter of 1981. However, the two major fires referred to were the only ones which exceeded £1m damage

£113.5bm, more than one-third

### A mystical measure of money supply

A CASUAL eavesdropper in a City pub might believe the monetary base to be the paymaster's quarters on some windswept South Aflantic

island.

But it is something much more erudite for a select group of economists and officials moni-toring Britain's monetary policy. The monetary base is a mystical indicator which the Treasury and Bank of England seem to be controlling better than any other measure of the

by accident.
The steady slowdown of the The steady stowdown of the growth of the monetary base—cash in circulation plus the reserves of the banking system at the Bank of England—has been noted with approval by no less an authority than Professor Karl Brumer, the Svostmertean monetary expert

American monetary expert much respected by Mrs

David Marsh looks at the monetary base and why it still puzzles Whitehall

Professor Brunner has been urging the Government for more than a year to start con-trolling the base as the best means of bringing down infla-tion. He has informed Whitehall of his pleasure that the switch appears to have been

made.
This has left the Treasury a money supply.

The strange thing is that it ment bas not in fact been tryall appears to have been done ing to control the monetary base at all—thus underlining the complexities of managing Britain's will-o-the-wisp money

Geoffrey Howe bas already brought confusion by announcing in the March Bud-get that, having failed to sbackle sterling M3 in his first three years in office, he was broadening the range of aggregates the Government was try-

seeking guidance recently on whether it is Government policy to supervise the mone-tary base as well. The latest Bank of England

The latest Bank of England figures show that the monetary base has risen by only 3 percent over the latest 12 months. One reason for the slowdown—at a time when sterling M3 is still growing (as it appears to do every year) by about 13 per cent a year—is because people are economising on cash balances. balances.

Notes and coin in circulation, which make up about 90 per cent of the base, have hardly grown in the past year. Even some mooey-watchers in London have been reading

of the City's best respected monetarist commentators, said after the Bank of England published its figures that the "on path" performance of the monetary base "is becoming too much of a coincidence for it to be unplanned."

The Bank of England, which only started to publish the base figures last year after prodding from 10, Downing Street, might bave cause to be amused about Prof. Brunner's reaction. The professor castigated the Bank's "powerful and practically autonomous bureancracy" last year for failing to see the light and changing to a monetary base target.

There is a theory in the City that the Bank may have master-minded the apparently good figures simply to divert Mrs Thatcher's attention from a less satisfactory monetary story—the continued runaway progress of bank lending.

### Learn from air industry, nuclear conference told

NUCLEAR should learn from past lessons industrial structure designed and mistakes of the aircraft for the needs of 50 years industry, especially the eco-nomic advantages of stan-dardisation and integration, Sir John Hill, chairman of British Nuclear Fuels, told the Euro-pean Nuclear Society confer-

industrial structure designed Sir John, who was made an honorary member of the society for his contribution to the

similar though not identical mixes of about 10 aircraft types, development of nuclear power as a commercial source of baving highly standardised requirements for fuel, components ence in Brussels yesterday.

The nuclear industry had paid try—which had preceded the "an enormous price" for trying nuclear industry by about 40 made of sub-units built in many

industry to build nuclear plants with an years - had been immensely countries and by thousands of successful technically. Advantages of standardisation Aircraft today were largely inter-changeability outinternational, Sir John said. The 100-odd major airlines used weighed completely any mar-

> design over another. The way nuclear plants were built in 20 years' time "will characteristics of the way that

ginal advantage of one aircraft

### Co-op launches campaign against milk imports

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE Co-operative Union yester-day kunched a national cam-

wrecked by cheap milk imports; and a considerable proportion of the 40,000 jobs involved in direct milk handling would be

Mr Dick Bluer, the Co-opera-tive Union's deputy general secretary, said imports would cause a fall in British milk consumption and would upset the economics of dairy farming. Virtually no milk is imported into Britain because of the Government's health, hygiene and quality regulation. This position, however, has been challenged in the EEC and a judgment by the European Court is expected this year.

Court is expected this year. were to decide against the UK

The Co-op fears that cheap workcoree as part of its attempt to prevent any significant import of milk into Britain.

The Co-op, which has been lobhying parliament to keep out imports, warned that parts of the delivery system. And it is the contraction of the door step delivery system. imports, warned that parts of claims that some sections of the country's milk distribution community—such as invalids system would eventually be and the old—will find it harder to get milk.

The Co-op employs 10,000 milk delivery workers—a quar-ter of the national total—and 20,000 workers in a dairy related work. Its campaign is being supported by its three manual

The union accepts that ultra heat treated milk would be cheaper because of imports, but questions whether it would remain so as it became subject to

independ in the European and a would defend includes the court is expected this year.

"If the European Court case leaflets to Co-op customers to-cre to decide against the UK gether with petition forms progovernment's view then it testing against unrestricted im-would appear to us that the ports of foreign milk. The only option is the total banning petition will be presented to of foreign milk imports," Mr Mr Peter Walker, the Agriculture Minister.

# Poetry.

"One's first impression on getting into the car is of the immense amount of room in it, and the pleasantly light interior thanks to the large areas of glass."\*

A glance in the rear compartment suggests acres of space. Try the usual test - can a six-footer sit behind the front seat adjusted for his normal driving position? Yes, and with room to spare"\*\*

assistance and when covering many miles on snow, ice and slush, Inever had that horrid feeling of being isolated from the front wheels.\*

one of its plus points,

amount of power

for it has just the right

"There is the promise of low running costs with the Tagora, particularly from its remarkable economy. As I drove on a rather hurried business trip through quite testing and more impressed at the way in which the Tagora seemed to go "for ever and a day" without refuelling"t

"Being the GLS model, it was already equipped with such goodies as central locking, electric window operation, and the Talbot Trip Readiness Tester, a panel that lights up like a fruit machine in full cry for five seconds after the ignition is switched on?\*

"It responds very well,

and there is a crisp exhaust note which enhances the somewhat sporting feel of the car"t

"The Tagora has been totally reliable. It has always started first time, even when left out in the snow from Friday evening to Monday morning, when I had to spend nearly half an hour reconverting a species of igloo back into a motor car."\*

"What Talbot has produced is a refined, distinctive looking car"tt

### DPP to investigate Clore estate tax fraud claims

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE Director of Public Prose- English cutions is to investigate sug-gestions of a possible criminal conspiracy to defraud the Inland Revenue of tax doe on the estate of the late Sir Charles Clore.

4 446644116

The papers in the case reached the DPP yesterday from the Inland Revenue, following the strongly-worded recommen-dation of three Court of Appeal judges earlier this month that the DPP should be asked to

The investigation will centre on the removal from England to Jersey, shortly after Sir Charles's death in 1979, of the £20.5m proceeds from the sale of his largest English asset, the Guy's Estate in Herefordshire,

The judges said that there was . a grave possibility that the object of getting the money to Jersey had been to evade tax.

The Revenue, which estimates that up to £39m fox could be due from Sir Charles's worldwide estate, thought to be worth about £40m, claims about £15m capital gains tax on the Guy's sale.

Guy's sale.

The proceeds were moved to
Jersey at the instigation of
Stype Investments (Jersey),
which is owned by a Jersey
concern set np by Sir Charles.
The appeal judges said the
proceeds were part of Sir
Charles's English assets and
sthing to English assets and subject to English tax and that the Official Solicitor should take over the administration of the

Charles's executors. The Official Solicitor would be in a position to sue Stype for the money, the court said.

Faced with the ruling, and the prospect of a DPP probe, Stype decided that it was necessary for it to show its good faith by making money available to the

Official Solicitor.

Because, for legal reasons, the company felt it could not trans-fer the Guy's proceeds back to England, it decided to provide the money out of its £28m assets in England, which are currently frozen by order of the court. It went to the Royal Court in

Jersey and obtained a modifica-tion of an injunction granted in Jamary last year to Sir Charles's son, Mr Aian Clore, which stopped it moving Clore estate assets out of Jersey. The modification permitted Stype to pay out of its own English assets an amount equal

to the Guy's proceeds, plus interest—about £30m. As Stype's English assets are largely unliquid they will prob-ably be charged as security for

a bank loan.

Because of opposition from Mr Alan Clore and charities due to benefit under Sir Charles's will, the Royal Court refused to with the Royal Court revised to give Stype's directors—the executors and the Jersey manager of Lloyds Bank Trust Company (Chanoel Islands)—an indemnity against being sued by the Clore estate in Jersey.

### "The steering is certainly weather, I became more giving lively acceleration, Sheer poetry.



THE TAGORA RANGE 22GL£7,551 (5-SPEED£7,739), 22GLS (ILLUSTRATED) £9,390 (AUTO£9,891), 26 SX £11,194.‡

Sources: \*Motor \*\*Autocar †Commercial Motor ††Motoring News ‡All prices exclude number plates, road tax and delivery charges and are correct at time of going to press.

Official DoE Figures: Tagora 22 (5-speed). At steady 56 mph – 39.8 mpg (7.1 L/100 km). At steady 75 mph – 29.4 mpg (9.6 L/100 km). Urban Driving – 22.1 mpg (12.8 L/100 km).

#### Metal package groups 'in danger'

BY MAURICE SAMUELSON

THE "BASIC FABRIC" of the British metal packaging industry is in danger of being destroyed by the recession, it was claimed

The warning appears in the annual report of the Metal Packaging Manufacturers' Association representing more than 80 companies in Britain and Ireland with sales of nearly £1bn a year.

Mr John Boden, chairman, said that, despite becoming slimmer, "we are fast approach-ing that limit beyond which the basic fabric of our industry

would be destroyed and future development and research capabilities hazarded."

The association's members include the large can makers, led by Metal Box and its U.S. owned rivals, and suppliers of lids and other fitments.

Despite "isolated bright spots" and confidence about the industry's survival, Mr Boden found no grounds for optimism in the year ahead.

"We are bumping along the bottom of the recession," he said. "Only if the economy recovers shall we see consumer requirements rise accordingly."

STILL TIME FOR A PEACEFUL SETTLEMENT, SAYS FOOT

### Callaghan leads back bench calls for unity

IN A SPEECH which made clear impact on MPs of all parties Mr James Callagban, the former Prime Minister, last night urged the Government to avoid committing British forces to a all-out assault to recapture the Falkland Islands while hope still remained that the latest U.S. proposals could provide a basis for a peaceful scttlement.

A debate which had been expected to produce further evidence of a widening split between the parties over the Governmet's handling of the crisis began with a series of speeches from leading back benchers on both sides of the House urging the need to retain the maximum possible unity at Westminster.

λtr Callaghan hammered this theme when he argued that the imposition of the air and aea blockade of the Falklands from noon today would be a sufficient initial further step in bringing increased pressure on the Argentine junta.

"I believe a frontal assault would result in a huge loss of life," he said. The Prime Minister listened in silence when Mr Callaghan appealed to her not to seek to

overrule the service chiefs if they counsel caution. Earlier Mr Michael Foot, the earnest hope that we can Opposition Leader, had quoted the views avacant described achieve these objectives by a the views expressed by the commander of the naval task force, Rear Admiral Woodward, in support of his beliefs that there was still time and scope for further efforts to achieve a

peaceful settlement. He renewed his suggestion that Mr Francis Pym, the Foreign Secretary, should travel to New York to discuss the possibility of the UN Secretary-General playing a role in trying to achieve a negotiated settle-

The Prime Minister, in the opening speech, again maintained that the diplomatic skills of Mr Alexander Haig, the United States Secretary of State, still offered the best hope necotiating table.

She carefully left open the possibility of Mr Pym meeting the UN Secretary-General. Mrs Thatcher assured the House: "If, at any time, either the Secretary-General or the Foreign Secretary thought that a meeting between the two of them would be likely to assist in achieving ao acceptable solution then I say to the House that Mr Pym would of course go to New York straight away." But she stressed that neither the Secretary General nor the Foreign Secretary judged that any useful purpose would be

meeting.
Mrs Thalcher described tha latest proposals framed by Mr Haig-sbe emphtasised that they were American proposals

served, at present, bu such a

—as "complex and difficult" Tory MPs cheered whe sbe emphasised that the American proposals had to be "measured against the principles and objectives expressed so strongly in our debates in this House."

The Prime Minister said she close the terms of the proposals. Mr Haig had judged it right to ask Argentina to give its decision first on the proposals because it was the country to which the Security Council resolution condemning the aggression against the Falkland Islands was principally addressed.

Firmly re-stating Britain's objectives, the Prime Minister



Callaghan: feared loss of life

the Falkland Islands, the restor-

ation of the British administra-

tion, and a long term solution which was acceptable not only

to the House of Commons but

"It is the Government's most

to the islands.

clared.



no killing for flags



Without Argentine withdrawals Britain bad no choice but to exercise its unquestion-able right to self defence under

She promised: "Of course, if. Argentina withdraws we should the international court, and immediately cease hostilities indicated that she had little and be ready to hold negotiations with a view to solving the underlying dispute. To cheers from the Govern-

Mrs Thatcher iosisted that it ment benches Mrs Thatcher stressed that Mr Haig's initiawas quite wrong to auggest that because the invader was not tive would never have got under prepared to implement the and explained that his clash way if the British Government Security Council Resolution the with the Prime Minister earlier had not sent the naval task force to the South Atlantic principles of the United Nations in the week, which had aeemed required Britain, the aggrieved within four days of Argentina's party, to forfeit the right of The Prime Minister emphasised that all the action taken

To further Government cheers



said they were the withdrawal by Britain had been based on Mrs Thatcher declared: "Such of the Argentine forces and the end of the illegal occupation of United Nations Security Council."

United Nations Security Council. to condone and encourage aggression and to abandon our people."

recalled Thatcher Mrs Britain's earlier efforts to settle disputes with Argentina through confidence that any fresh initiatives would produce any better

Mr Foot reaffirmed his support for the despatch of the task force to the South Atlantic, to threaten the earlier unity in the House, stemmed from the fact tha be believed she had "brushed aside" an appeal by

he UN Secretary General to avoid any escalation of the dis-

Mr Foot with approval the late stage" there was still time for a diplomatic solution.

To cheers from the Labour benches he declared: "I say that the Admiral on this occathan the amateur warmongers on the Tory benches."

Mr Foot urged the Prime Minister 10 take note that the paramount interest of Britain and of most countries in the world was that there should be a peaceful settlement of the

"I say we have to try, try and try again to secure that peaceful settlement

Underlining the importance of the House speaking, as far as possible with a clear and united voice, Mr Norman St John-Stevas (Con Chelmsford), the former Leader of the Commoos, stressed that even if major escalation in the use would have to be a return to diplomatic discussions at some

He also warned that the retention of the support of world opinion would be crucial for Britain in the coming weeks. There must not be a sus-

picion in the minds of the leaders of other countries that we are not sincerely and committedly working for peace, Mr St John-Stevas.

He supported the view that if the latest proposals made by Mr Haiz failed to produce a settlement the United Stales Government should openly and unreservedly align itself with

Dr David Owen, parliamentary leader of the Social Democrats, backed the views expressed by Mr Callaghan, and reported statement of Admiral nrged MPs to avoid a repetition Woodward that "even at this of the situation at the time of Suez when British forces went into action in the knowledge

try were deeply divided. He called on the Prime sion was talking more sense Minister to recognise that eventually, whatever happened, the dispute was going to have to be ended with a measure of compromise on all aides.

that Parliament and the coun-

Dr Owen asked what the position would be if Mr Haig's latest proposals were accepted hy the Argentien junta and were then found to be unacceptable to the Britisb Government.

He sald:" I believe itwould be wrong to bave a major escalation of our military commitment to seek repossession of the Falkland Islands on the basis that Government alone rejected the proposals put for-ward by the United States and accepted by Argentina."

Labour Left-winger Mr Tony of force proved necessary there Benn (Bristol South East), would have to be a return to shouting to make himself heard above the angry protests of Tory MPs, demanded a ctear Commons consensus for the prevention of war with Argentina.

He said the United Nations should be put into the Falklands to protect lives and the fleet should be brought home.

That is the message of hope that should emerge from this debate." he said. "We cannot kill for flags today."

The Speaker had to intervene

to restore order and Mr Tony Mariow (Con. Northampton West), accused Mr Benn of acting as an apologist for the Argentine junta.

#### No objection to sports contacts

Financial Times Reporter

THE GOVERNMENT yesterday told the Sports Council it had no objection to sporting con-tacts with Argeotina in third countries.

In a Commons written reply, Mr Nell Macfarlane, the Sports Minister. said: "I bave advised the Sports Council, and shall be advising the governing bodies of sport, that it is the Government's policy to discourage all sporting contact with Argentina in the UK or in Argentina

#### Parliament next week

COMMONS Tuesday: Local Government and Planning (Scotland) Bill, remaining stages.

mittee Slage. Thursday: debate on economic and employment prospects in

Friday: Privale Members' Bills. LORDS

Tuesday: Copyright Act 1956 (Amendment) Bill. Third Reading; Oil and Gas (Enterprise) Bill: Committee Stage: Administration of Justice Bill, Report

Wednesday: debate on Inland transport: Supply of Goods and Services Bill, Second Reading. Thursday: Epsom' and Walton Downs Regulations Bill, Second Reading: Administration of Justice Bill, Report Stage. Debate on state aids to EEC

Commons Sketch

COMING AND GOING: Mr Francis Pym, Foreign Secretary, arrives at No. 10 Downing Street for a Cabinet meeting yesterday

morning, and Mrs Thatcher leaves for the Commons

### Foot waves the little blue book

THE LITTLE BLUE BOOK of Michael Foot was very much in evidence in the Falklands debate in the Commons yesterday. Nearly everyhody seemed to have one to hand.

The Opposition leader prondly waved his aloft. Mr. Norman St. John-Stevas (Con. Chemistord), former Leader of the House, boasted be had one, too, and former Laboor Prime Minister, Mr. James Callaghan, said MPs had been studying it as never hefore. Mrs Thatcher seemed to be the only person without one. At least, if she dld own a copy, she kept it well hidden

in ber bandbag. The hook in question was the Charter of the United Nations, the clauses and subclauses of which Mr Footdwelt on at loving length. Once more, he warned the Prime Minister that she would do grievous damage to Britain's cause if she failed to make another attempt to find a settlement through the

United Nations. Right wing Tory back benchers now seemed to reserve more of their hatred for Mr Foot than for President Galtieri and Johnny Gancho. Nobody would be surprised if any day now one of them crossed the Chamber to present Mr Foot with a

white feather.
Winston Churchill (Con, Stretford) seemed to he hack In the spirit of 1940, when he lavishly praised the Prime Minister's performance, and in a dig at Mr Foot—con-trasted her with those "wbo run for cover at the first

whiff of grapeshot."
There was also a nasty flank attack from former ahle-sea-man James Wellbeloved (Erith and Crayford), who

quit the Labour Party to sit on the Social Democrat henches. Scathingly, be said those who wanted to send the task force, but did not want to use it, were guilty of "a disgraceful, hlatant policy of appeasement of aggression."

Bnt, although Mr Fool. a self-confessed peace-monger, is not too hot on military strategy, be showed a consummate command parliamentary tactics.

#### War-mongers

He floored his critics by hasing his case squarely on the words used in recent interviews by Read Admiral Sandy Woodward, who commands the lask force;

The loquations admiral had said: "I am not in any doubt that unless people say let us stop, it will be a long and bloody campaign and in my mind It is absolutely fundamental to try to avoid it."

Mr Foot, quoting from similar statements, agreed with them all and thought the admiral was talking far more sense than the "amateur war-mongers" on the Tory back henches.

The admiral's interviews have certainly caught the steely eye of Mrs Thatcher, who commented acidly that remarks were always "rivid, if various."

It is a fair het that a signal will go out in the near future suggesting that the Slient Service should start living np to its name.

Certainly, the Prime Minister made it clear that she saw no useful purpose in Mr Francis Pym, the Foreign Secretary, meeting the UN Secretary General at present. Mr Callaghan, an old Royal Navy man himself, and the Social Democrats' Dr David

Minister's speech, but warned that Britain could forfeit world opinion. If it did not

support a political settlement.

bellicose when other people's lives are at rlsk," he declared. "Tell it to them," yelled Labour MPs, pointing

accusingly at the Tory back

No one has a right to be

Owen, who is only a weekend action; both detected an underlying sense of unity in the House and thought it essential to maintain it. They were right up to a point. The ship of state cent.

seemed to have returned to more even keel, after the shouting match between Mr Foot and Maggie last Tuesday. But there were many tangled akeins of opinion in the debate. Mr Callaghan

wanled a hlockade, rather The prospect of rapid Brilish success in the Falklands dispute than outright assault. Dr Owen, although he aeemed prepared to accept the use of force as a last resort, drew angry murmurs from the Tories when he said we shoold he prepared to negotiate for the Tories. about sovereignty. Mr St John-Stevas praised the Prime

remaining the biggest group.

The district has Crosby and

John Hunt Shirley Williams' parliamentary bungry people."

COUNCIL ELECTIONS

### Jones the vote puts the boot into the Militants

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE EMERGENCE of Balaclava-hooded youths, and outbreaks of sporadic violence on the streets of Toxteth this week underscore the way economic and social strains and the law and order issue still bubble close to the surface in the beart of Mcrseyside. Such emotional issues, though, are just two of many the politicians have been pursuing in the five metropolitan districts which make up the county

four districts.
A third of the scats are up for grabs in each of the distriets—Knowsley, and St Helens, where Labour has big majorities unassailable in this round of elections; Sefton and Wirral, where the Tories are in control, but with apparently more vulnerable majorities; and Liverpool itself.

Liverpool has a hung council.

Labour forms the largest Labour forms the largest group, but two years ago cold-shouldered any attempt to take

area. More than half a million

people live in Liverpool City.

and double that in the other

control, partly because it knew it would not be able to get its policies through the chamber. The Liberals, who have built a well-organised machine in the city, are in control with 38 seats, as opposed to Labour's

40, and rely on support from some of the 21 Conservative members. Power has been in the hands of the Liberals or Labour since reorganisation. Half-a-dozen features haphazardly permeate the elec-tions. One is the strength of the Militant Tendency within Liverpool City's Labour group,

viclous—campaign by Liberals. Another is the difference in the perception of how well the will do in Liverpool, compared to the other four areas. The party is expected to make considerable gains outside

Liverpool. But In the city the Alliance is a creature with a lot of in-built strains, and SDP candidates have the added chore of making beadway in an area where the Liberals are already in control and lend to revel in it to the exclusion of anyone thought to be muscling in on

Sir Trevor Jones, the Liberal group leader, known as "Jones the vote," has made it quite clear that, though the SDP are friends, there is no question of their being given council committee chairmanships. The SDP cil may very well remain hung, is fighting seven seats and could though with the Liberals perhaps win two or three. It would surprise most Liberals if

it won more.
The third factor is one that eats away within most of Britain's blg urban conurba-tions, and is a particularly sore issue in some parts of Mersey-side. That is council housing, house repairs and the environment. -

In Knowsley, for example. which includes Kirkby and Halawood, 72 per cent of housing is council-owned. Some councils have been facing an nphill struggle even to keep problems in check.

#### Economy is major national isssue

The impact of the transport subsidies policy of Labour-controlled Merseyside County Council is difficult to pin down. One effect bas been a county rate precept rise of 56.5 per cent in two atages - as popular with many electors as a hole in the head.

The dominant national issue,

of course, is the economy.

The way economic illness is: translated lato the local scene gives the area its peculiar

paranoia.

Four wards in Liverpool City are reckoned to have unemployment levels of more than 35 per cent. Knowsley has an official unemployment rate of 24 per cent, but a recent local study pointed to a higher figure and to 40 per cent in Kirkby. Overall, broad areas within the county boundaries vary from 16 per cent to just over 20 per

Some of the scenarios sketched by Alliance and Labour politicians, are based on varying degrees of collapse in the Tory vote. But some are quick to point out bow resilient Conservative aupport can he.

is something no one ia prepared to minimise as an influ-enca. Signs have already emerged of the dispute's impact in bolstering national support

following results aeem likely: Sefton—the Tories hold 38 of the 69 seats, and the Alliance and Labour believe the Tory vote may be squeezed, with the anti-Marxist campaign has been Conservatives losing their hurtful, overall majority, though still "They are scaremongering





Toxteth after the riots—and Sir Trever Jones, Liberal leader of Liverpool City Council, whose "robust" Council, whose campaign has Labour leaders fuming

by-election victory has some residual effect—and Bootle in the south, which would norm ally be viewed as bread-andbutter. Labour territory. Wirral-the Tories have 37 of

dicting the same outcome. Liverpool -- the 99-seat coun-

the 66 seats, and some are pre-

becoming the biggest group. The Tories are defending seven seats. Their leader, Mr Stan Airey, the mayor elect, believes they will maintain their existing presence, with a

loss here and a win there. Some Tory seats, though, look very vulnerable to the SDP and Liberals, and both Labour and the Alliance believe Mr Airey's own seat in Chilwall could be

The Tories have been campaigning on the basic issues of housing social services and education, polying at the Lib-eral administration wherever they find a bit of leverage.

Their campaign is in distinct contrast to the initial one mounted by the Liberals, based on "Marxists out, Liberals in." The strong Militant Tendency

influence within a section of the Labour Party in the city has come in for some unpleasant bruising. In the past few days, the Liberals, who are defending 12 seats, have wheeled out their Liverpool resurgence manifesto and have been pushing their record in office.

"The Tory vote will collapse dramatically." says Sir Trevor, who argues that the question is whether the Liberals will wio an ovarall majority.

#### Labour hoping to recover losses

The Alliance in Liverpool has been affected by continuing dis-agreements between Liberals and Social Democrats over par-illamentary representation. Both the Tories and Labour say the Liberals have given the SDP "duff" seats to fight. Two or three of them, though, could be winnable. Labour, which would need a

net gain of ten to win an overall majority, would appear to have little prospect of taking much, if anything, from the Conservatives, but is hoping to pick up former Labour seats which went

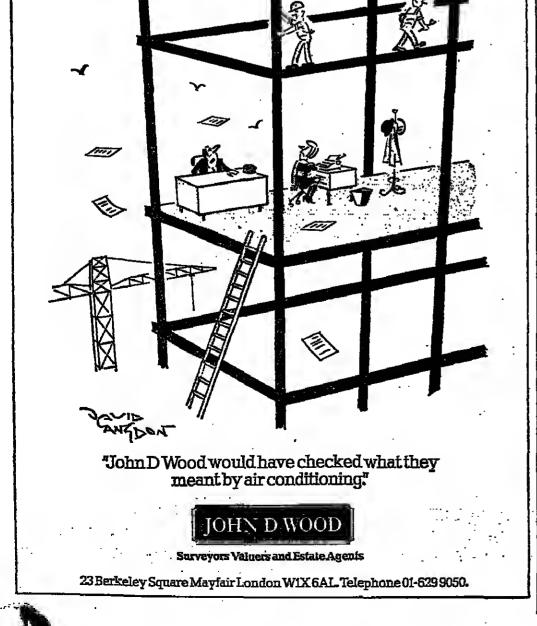
Liberal two years ago or before.

Mr John Hamilton, the 59year-old retired schoolteacher
who leads the group, has been for the Tories.

For what it is worth the between the left and right ollowing results are likely:

within the Labour ranks. Risparty's election material has been attacking the Liberal administration, but the Liberals'

> tactics to divert away from the serious issues," says Mr Hamil-



### Wide backing for move to curb union power

THE GOVERNMENT'S efforts to reform industrial relations enjoyed widespread support among delegates to the FT Conference yesterday. But while employers welcomed the Government's Employment Bill, significantly some joined labour and trade union speakers in voicing some serious reservavoicing some serious reserva-tions about its practicality.

Government should defer its provisions for the periodic review of existing closed shops until after the next election. Dr James McFarlane. director general of the Engin-eering Employers Federation,

His speech was seen as one of the most significant criticisms so far of this aspect of the Government's employment legis-lation. The EEF is the country's largest employer group and the largest constituent of the CBI. The engineering industry has about 40 per cent of its manual workers and about 10 per cent of its staff covered by the closed

He said: "In general we have no enthusiasm for the 1982 Bill's proposals for the review of existing closed shops. We can be quite confident that unions are not going to co-operate in holding ballots of existing closed shops; and it is certain that this factor, combined with the relatively large compensation available will excite a good number of unfair dismissal cases and industrial relations

trouble in some factories." Dr McFarlane accepted that there' was little that could be given the Government's politi- dangerously overconfident that practical matters.

Mr Goldsmith, speaking at the

FT conference, said: Employers

who may be tempted to do secret deals on their closed shop arrangements, designed to undermine the provisions of the

Employment Bill, would be

doing a grave disservice—hoth to British husiness and to responsible and effective trade

FINANCIAL TIMES Industrial Relations~

> will Tebbit succeed?

CONFERENCE

cal will; employers would have to live with the consequences of

"But we do believe that the government would do well to defer bringing in the provision for the review of existing closed shops until after the next general election — so as to reduce the incentive for unions to make general political capital out of particular cases.

He was also critical of the proposals for tightening the immunities enjoyed by unions against legal action.

He echoed the TUC's point that they recollected the conservatives' 1971 Industrial Relations Act and said : "There are grounds for believing that we may see a repetition here of what occurred under the 1971 the review of the closed shop, done about the present position, Act: that is, unions becoming opinions differed on other more

ment Bill was a necessary step

towards creating healthier in-dustrial relations "based on the

everyone at work most he

encouraged to honour con-

Employers

sound husiness premise that by the law."

would

exercise their rights - and the shop floor, and it was not then being tripped up by an

action brought agains them." He gave broad support to the Government's proposals, but disagreed with such bodies as the Institute of Directors in their criticism of the EEF's ideas for a lay-off clause to protect companies from the effects of selective strike action. He also doubted the institute's propossis to link trade union immunities to procedure agree-

THE Employment Bill could fail on the shon floor because of a breakdown in managementworker relations, Mr Leslie Burton, national chairman of the Institution of Industrial Managers, told the conference.

The Bill could exert its force only if it was accepted by rankand-file trade union members. Since the TUC was urging opposition to it, the only counter balance had to come from managers. This would involve close

working together at shop-floor level, which was absent at present. That was a management problem, which would not go away hecause of the legislation, and in fact was likely to be worsened hecause of it. Legislation was not the only.

or nerhaps even the best way of imoroving industrial relations. While many managers backed many of the proposed measures, such as aligning trade union and individual immunities and

action which took place before

that procedure had been ex-

hausted would not be protected

He attacked the TUC's cam-

con- paign against the present Blil as political. It's intention was gain to undermine a Bill which has

sensible to helieve that there was any deep difference of opinion between the trade union rank and file and its full-

time officials.

Managers had no wish to attack indiscriminately fundamental trade union rights, or legitimate activities, though they were deeply concerned about the growing imbalance of power in favour of the trade unions.

Management accepted its responsibilities—previously legis-lation had improved British

Reports by Philip Bassett and David Goodhart

Mr Pat Lowry, chairman of the Advisory, Conciliation and Arbitration Service, said yesterday that it would be business as usual for Acas when the new Employment Bill becomes

He said that if the new sense of realism in British industry was to be more than a phenomenon of the recession the law must bave only a limited role in industrial relations.

. He said he would not welcome future legislation which granted union immunities on the condition of legallyenforceable arbitration.

Mr Lowry also said that the

Directors attack secret deals on closed shop

EMPLOYERS WHO attempted shop added significantly to to do secret deals with unions on the closed shop were strongly criticised yesterday by Mr stewards, and made it more difficult to alter bargaining structures and restrictive practices.

He said the present Employment by Mr collectors.

EMPLOYERS WHO attempted shop added significantly to pulsory and would make unions picket peacefully. Mr Goldsmith their observing a voluntary agreed disputes procedure. This would "ensure that where a voluntarily agreed disputes procedure the added if complement countries and restrictive practices.

He said the present Employment bill was a necessary step ment Bill was a necessary step action which took place before Mr Goldsmith warned that the Tebbit Bill will only succeed if complemented by effec-tive communications." He said there had been a healthy upsurge in interest over the last two years in communications consultation with em-

"Recent changes in attitude among employees will not be permanent unless reasons for change are adequately comconfidence at the negotiating been introduced by a demotables with the new law helind. cratically elected government, involved in the decision-making
and incidentally one for which which affects their working responsible and effective trade unionism."

He said the institute's opposition to the closed shop was based on economic and humanitarian grounds. The closed would make secret ballots composition to the closed shop was the first parliament: It is a constantly effected government, the closed shop was the first of this parliament. It is a constantly effected government, the closed shop work and incidentally one for which affects their working and incidentally one for which affects their working the said by the closed with industrial demonstration of the closed shop was the incidentally one for which affects their working the decision-making and incidentally one for which affects their working the decision-making and incidentally one for which affects their working the decision-making and incidentally one for which affects their working the decision-making and incidentally one for which affects their working the decision-making and incidentally one for which affects their working the decision-making and incidentally one for which affects their working the decision-making and incidentally one for which affects their working the decision-making and incidentally one for which affects their working the decision-making and incidentally one for which affects their working the constant properties government. The closed shop was the incidentally one for which affects their working the constant properties government. The closed shop was a constant properties and constant

1980 Employment Act had made very little impact. Of the 48,000 iodividual conciliation cases dealt with in 1980-81 only 25 arose from the Act. "And only 16 concerned union exclusion or expulsion," he

A warning that British Rail would face a stand-up fight from the unions if it went abead with plans for 5,000 redundancies in railway workshops, was de-livered yesterday by Mr Sidney Weighell, general secretary of the National Union of Railway-

He accused the Government of starving British Rail of cash and challenged BR chairman, Sir Peter Parker, to protest publicly that the industry rould not manage on its present grant.
He said that the railways
were now a three-sided operation involving BR, the unions and Government. "It only requires one partner to renege on its responsibilities to bring

the industry to its knees." Privatisation was another potential field of conflict with Government but protecting jobs came before protecting the principle of state owner-ship, said Mr Weighell. He cited the reluctant NUR co-operation with privatisation of three British Transport Hotels. PROFESSOR SIR JOHN WOOD, told the conference that the Employment Bill placed too much emphasis on reforming.

the closed shop.

He said: "The problem of the closed shop is only a symptom and the proposed legislation leaves the basic disease untouched.

The real need was for stability in industry. "The question is - do we get that stability from strong, professional, centralised unions; or

He said that the old consensus covering the Donovan Report, Acas and the Prior Employment Act supported strong unions hut that consensus was now under attack, A compromise between ethical and power concepts was needed to produce a system which was reasonably fair and,

above all, workable. Prof Wood, of Sheffield University's Faculty of Law, also criticised the granting of retrospective compensation to those who had been dismissed hecause of closed-shop legislation after 1974.

### **Democracy** threatened by Bill'

THE GOVERNMENT'S Employment Bill was a serious encroachment on democracy, Mr Jim Mortimer, general secretary-designate of the Labour Party, told the conference.

He said the legislation had He said the NUR would not nothing to do with building a management—but at present it sit back and watch a publicly constructive dialogue between felt it was being dragged into the political arena.

The said the NUK would not nothing to do with building a constructive dialogue between owned industry crumble and disemployers and workpeople and the political arena. the ability of workers to defend

"This is not a moderate measure-it reaches far into the traditional rights of trades unions," he said.

He said the Bill was being introduced when the balance of power in industry was beavily on the side of the employers. and he warned that it would

he repealed.
The most damaging effect of the legislation will he virtually to outlaw solidarity action." be said. The right of the working man to belp bis fellow workers was good Christian morality and would not be stopped by the new

"If Polish workers had been living under Tebbit's law millions of them would have been acting illegally last year." He said trade unionists had a duty to minimise the barm to other human beings when they took industrial action,
"but the logic of the Bill's
solidarity clauses is to outlaw
all strikes."

He said inter-union disputes we're often caused by em-ployers. He also asked wbo could judge whether a public-sector dispule against a governincome policy was a

political dispute or not. Mr Mortimer a former chairman of the Advisory Conciliation and Arhitration Service (Acas), said the clauses relating to union membership agreements were designed to encourage non-unionism. "Sometimes an open shop is sensible but many employers agree that sometimes 100 per cent mem-

hership is better." Secret halfots on strike action would not mean fewer strikes, and secret ballots demanding 80 per cent support for a closed shop had thrown out the principle of majority rule.

### Minister to meet dockers' leaders as strike threat looms

BY BRIAN GROOM, LABOUR STAFF

DOCKERS' LEADERS are to meet Mr David Waddington, from May 10 draws near.
The Transport and General
Workers' Union (TGWU) is

calling an indefinite stoppage in all ports if the Government does not agree to move towards extending the National Dock Labour Scheme, which forms the hasis of dockers' unique employment rights, to all nonscheme ports and wharves.

The talks will not at this stage involve Mr Norman Tebhlt. Employment Secretary, although the dockers' threat faces his department with one of its toughest decisions since he took office.

Any concession to the dockers could provoke an outcry from Conservative backbenchers, and from employers in non-scheme ports. These bandle about 20 per cent of seaborne trade and employ up to a nestimated 6,000 dockers, compared with 18,000

in registered ports.

Mr John Connolly, national docks secretary of the TGWU, insisted yesterda ythat he re-quired an undertaking that an order would be made to bring ports into the scheme before calling off the strike.

The dockers' new demand is a change of tactics from those junior employment minister, of previous years. They are next Tuesday, as the prospect of seeking an extension of the ao all-out national dock strike existing labour scheme established in 1967.

Previously. demanded a new draft scheme identifying extended areas of work for registered dockers to compensate for job losses caused by containerisation. The Government is required to do this under Labour's controversial 1976 Dockwork Regulation Act-but the law set no time

This time, the dockers are not immediately seeking what was previously the centrepiece of their demands—the establish-ment of an extended "corridor" of registered dockwork around

registered ports. Even the new, limited demand, however, could run into difficulties in the unlikely event of the Government agree-ing to it. An independent inquiry would have to be held if serious objections lodged to an order.

Employers in non-scheme ports may well object. They fear the expense of subscribing to the scheme's national levy, its alleged inflexibility and the special protection given to the jobs of registered dockers.

### Health pay action fears

campaign.

BY IVO DAWNAY, LABOUR STAFF

THE TUC's 14-union Health pared to take part in the Services Committee said yesterday that it would press ahead The committee meets again with a campaign of national in on May 10 to consider detailed dustrial action, to begin within a fortnight, following the Government's refusal to boost

funding for NHS pay. It said this shortly before the Royal College of Nursing, the largest nurses' union, agreed to ballot its 195,000 members on whether a rule ontlawing industrial action should be deleted. Past ballots on the issue have always rejected any rule change, and it is highly unlikely that the RCN, which is not affiliated

Committee said in its statement falled to confirm support for that nearly all the TUC- the campaign pending the out-

to the TUC, will take part in

The committee meets again proposals for form and timetable of the action. Officials indicated yesterday sanctions were likely to he similar to those begun on Monday by the 235,000-strong Confederation of Health Service Empioyees.

These include bans on all non-emergency bospital admis-sions, a series of selective twohour stoppages, and instructions to members not to deputise for absent senior staff. So far only the key National

industrial action.

Union of Public Employees,
The TUC Health Services with 300,000 NHS members, has affillated unions had indicated come of a countrywide consulthat their members were pre- tation process at branch level.

# MIXEO FUNDS WITH PROPERTY 1981 RETURNS Weve obliterated the competition.

Here is an independent survey of Managed Pension Fund perform-ance in 1981 published by Cubie, Wood & Co.Ltd\*

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No less than three other independent surveys (from Willis Faber, The Wyatt Company and MPA) reach the same conclusion.

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moropad

Device for

the international engineering

group, has developed a new device for measuring the level of a figured using sound pulses.

pulses

### How the Navy is securing its signals from the South Atlantic to the UK

High frequency (HF) radio, threatened with obsolescence for some years by communications satellites, is re-emerging as a secure point to point system for the world's navies. It is at this moment proving itself in the South Atlantic where most of the Royal Navy ships are equipped with Marconi's latest integrated communications system. Geoffrey Charlish reviews the position.

Soon it will become a rela-

point-to-point communications 22,000 miles up, is becoming inmedium early in this century, creasingly vulnerable.
the high frequency (HF) bands Soon it will become were used almest exclusively, tively straightforward matter to They offered acceptably reliable communication ever global dis-

Later, space in that spectrum radio signals that might be used hecames crowded and this, for homing. coupled with the low band-(that is, information Large footprint carrying capacities) available, forced engineers to work at higher and higher frequencies and to find ways of generating them. Progressively, the VHF and UHF were developed, followed by micrewaves and their latest their states. their latest embodiment, the communications satellite comsat. Microwaves need line of eight transmission and on earth are borizon limited. The satellite allowed fer the first pre-arranged pattern is not too

Notwithstanding parallel 50 it is ne accident that the developments in optical sub-uarine cable, the satellite all of its major ships with UHF seemed te he the ultimate com-satellite terminals is liaving mercial medium.

some second thoughts and is

But the military it appears, looking again at HF. It has appropriate power output to are not so sure, because the horrowed a system from the UK suit the destination of the

time global, very high capacity nunicatiens.

another, armed spacecrafi,

In addition, although satellite (a few degrees) they necessarily make a rather large fontprint (usable receiving areal on the earth's surface and in that respect are no more secure than terrestrial radio such as HF. The security technique of rapidly changing the transmitted frequency in accordance with a

working.

WHEN RADIO emerged as a craft itself, in splendid isolation where the Royal Navy, although it depleys some satellite terminals, has been working closely with Marconi Communications systems of Chelmsford and MEL of Crawley on a new integrated communications system, ICS3, which majors nn HF.

Marconi has installed ICS3 on all the RN ships now in the South Atlantic. Used with cryptography techniques, the systems provide, ameng other things, secure communications back to the

In the past, a change of frequency in the HF bands has often meant physical changing of connections from one aerial to another, using various tuned ef adjustments had to be made and a change of frequency could take many minutes. Io ICS3 Marcont has taken

an integrated approach with receivers allowing frequency in the 240kHz to 28 MHz range to be selected, at an

second. A multiwire, wideband aerial has been perfected for transmission, Separate, final tuning of power output stages in what were previously a number of separata circuits has been done away with. Instead, TCS3 uses a number of untuned wideband power amplifiers covering the whole 240kHz to 28MHz range.

Mimic panel

A number of users can work into the system at the same time, at various frequencies, in voice, telegraph or data modes, via a supervisory subsystem.

This subsystem in fact embraces all the ship's com-munications and via a central switching matrix allows any user position to be instan-taneously connected to any HF, VHF, UHF or Satcom circuit. A mimic panel shows the states of readiness of the various equipments, which include message switching facilities on a store and forward basis, engineered by MEL.

The transmitter and receiver

incorporate channel mamories to enable 19 frequencies to be pre-set; they can then be chosen locally or from a supervisory panel. On electronic counter-couter measures (ECCM), all

frequency hopping techniques. Clearly however, this is one of the first equipments to become available which, because of the wide-band approach, allows quite agile frequency changing, although it is bound to be some-

Marconl is sble to say at the hy the Royal Navy in the South

wbat slower than that achieved

in portable, lower powered

moment is that "work is going Atlantic, it is extremely un-on" on anti-jamming and likely that anyone other than the intended recipients is pick-ing up the fleet's transmissions.

> No more power than that needed for the distance invoived is used. Thus, ICS3 can be used at lower power for ship to ship work, perhaps 100 watts, rising to 250 w for inter-mediate distances and 700w for

different frequencies. The mast or funnel itself forms part of the radiating structure, together with four wires, covering 9 to 28MHz. For receiving, a 1.5 with a preemplifier, allowing up

equipment strategic communications over Marconi now expect the Hopping needs a hopper many thousands of miles. All interest in HF to grow (it is driver which in effect, contains three modes can be earried on talking to other navies). In the secure codes that say how at the same time, from the battle, as one Marconi man the changes shall be made. If same aerial fed from thecompointed out, HF fails "seft" such a system is heing deployed mon wideband "power bank." (ststion by station), "With a hy the Royal Navy in the South A particular advantage is satellite, you lose the lot."

system different is that for the first time Mobrey is using microprocessor technology to analyse the sonar puises. This means the new instrument offers extensive facilities not seen in earlier devices. to 36 receiver to be fed at the Channel flow same time:

especially useful where the levels of aggressive and corro-sive liquids have to be The Sona Pulse is also useful for open channel flow measure-

systems like the Sons Pulse are

The sensor is equipped with a reference pin; maximum range is 10 metres at pressures of up

About 40 different options can he kered into the device using a front mounted numeric keypad this is what distinguishes it distance measurement devices.

The system costs between £800 and £1,000. According to Mr Frank Benson, Mobrer's electronics marketing manager. the chief advantages of the new device are its accuracy, simpli-ity in operation and low price

Government grant

"It was developed with the ald of a Government MAPCON grant. Water authorities and the metals industries are already using the Sona Pulse in their installations. More on 0753 ALAN CANE

LONDON

9.25 am Schools Programmes. 11.52 The Bubbles, 12.60 Song Book, 12.10 pm Once Upon a Time, 12.30 Our heredible

1.20 Thames News. 1.30 About

Britain. 2.00 After Noon Plus-Elaine Grand talks in Norman St John Stevas. MP, about his new book "Pope John Paul II— His Travels and Mission." 225

Racing from Newmarket covering the 2.30, 3.00 and 3.30 races.

2.45 Wild, Wild World of Animals, 4.15 Porky Pig. 4.20 Razzmatazz, 4.45 Freeting, 3.15

Film Fun with Derek Griffiths.

5.45 News

10.45 Benson.

6.00 The 6 O'clock

7.00 Family Fortunes
7.30 The Fall Guy
8.30 The Bounder
9.00 We'll Meet Again



HMS Hermes and the frigate, Broadsword, now off the Falklands; the Mostoni ICS 2 systems are working overtime

BY ELAINE WILLIAMS also is widely used in the THE PLANT Breeding

Institute at Camhridge knows all ahout pests. It spends most of its time trying to produce new plant speciesagrienttural variety-which are resistant to attack from pests and

Technology has heen won for 14-year development of Maris Piper, a member of the humble petato family. For twe years the Marls Piper bas heen the leading variety and accounted for 24.2 per cent

of all maincrops last year.

Its Quecn's Award for

Frozen foods

Not only is it one of the few potata varieties which satisfies the standards of leading supermarkets but it

of frozen manufacture dehydrated and powdered

The Maris Piper potato is resistant to attack by eelworm -known as cyst nematodes which are the most serions potato crop destroyers in Britain and Western Europe.

Small tubers

According to the Plant Breeding Institute, annual UK losses due to the eelworm still amount to more than £30m compared with about £10m a year in 1970.

Before the introduction of the Maris Piper, the institute says that potato cultivation in some parts of the country. particularly the fens area of East Anglia, was threatened by Globodera rostochiensis, nne of the two eelworm species which reside in the

The work on development of the Msris Piper began 30 years ago although it was not until 1966 that the potato made its first appearance.

Workers at the institute found that some wild and cultivated potatoes from South America were resistant. However, in the British climate the Andigena species of potato produces only very small

A single dominant gene was found to give the potato its resistance, so the institute set about crossing the Andigena with susceptible varieties until they produced a new potato which had large crops

and resistance to the British

The institute has won two previous awards for industry, in 1973 and 1975 for work on wheat and kale. It is based at Cambridge and had a total research staff of about 180.

Pure research

The two people directly involved with the development of the Maris Piper were Dr H. W. Howard and Mr C. S. Cele both of whom have since retired.

The plant Breeding Institute, founded in 1912, is financed by the Agricultural Research Council. It mainly carried out pure and applied research to improve agricultural crops by breeding.

directors think fit, any shares on

which the company has a lien."
The real nnb of the case was whether, if Finch chose lo exercise its right to sell the shares, it had freedom to do

so on the open market, er whether it was bound to do so

through the fairly common transfer articles which it had adopted, particularly article 7.

Article 7 probibited any trans

fer of sbares hy a member of Finch without their first being

that if the language of the relevant provisions was doubt

ful, thay should be construed

in such a way as to provide that

the company bad a completely unfettered power of sale.

mora gatural answer was in

favour of the restrictions apply

ing. The shares were subject beyond question to the restrictions set out in article 7.
In article 7 tha sale netice

as there was no obvious pro

visien for giving such notice

under clauses 12 to 14 of Table A. However, clause 13 provided

that "the directors may anthorise some person to trans-

fer the shares", and there would be no difficulty in that

person also giving a sale notice.

Such implication was clearly required to ensure that the pro-

visions of article 7 were given

the whole of the provisions of

the articles of association, resd

together and construed as one,

made substantial and interlock-

ferred on it the right to sell sufficient of Mr Lyncb's shares,

through the machinery of article

7. te discharge his liability te Finch, and all incidental costs

Judgment for the defendants.

For the plaintiffs: Michael Lyndon-Stanford QC and J. D.

Mortineau (David Alterman and

For Finch: Allan Heyman OC

ond Anthony Bompos (Ashurst,

For Mr Welch: R. G. Fauls

(Ashurst, Morris, Crisp and

Mr Lynch was not present and

By Rachel Davies

Barrister

Morris, Crisp and Company).

was not represented.

and expenses of the sale.

Accordingly, Finch's lien con-

ing sense.

Sewell).

Ie tha present situation the

### Cambridge applies itself to a potato pest |Toadstools with the mushrooms

BY LOUISE KEHOE

THE QUALITY of software puter, PFS graph will take data of options appears on the screen programs sold for use on personal computers is variable —

With new software houses popping up like mushrooms to take advantage of the boom in personal computer sales, it is perhaps inevitable that there be some toadstools among them.

Pie charts

For those who have suffered the pangs of aggravation produced by the less succilent hreed of software, it is refreshing to discover what the best quality products can taste like, The latest offering from software publishing in mountain view, California, is one such.

A graphics package designed to run on the Apple II com-

BBC 1

and turn it into graphs, har Each selection produces another charts or pie charts. "It is menu until the desired function aimed at the businessman who is found. helieves that a picture is worth This cuts out the tiresonn a thousand words," says the business of learning specia company.

on visicale files - as well as data held on files formatted by the company's own personal filing system (PFS). This promises to make the package, which sells for \$125, a bestseller.

has made its graph program

Like visicale, it could become a standard business tool.

Like personal softwar's pr vious products - PFS and PFS report (which generates reports from PFS files) — the graphs program is menu driven. Each time the user turns on, a menu

This cuts out the tiresome

commands to perform desired Cleverly, personal software functions commands that are as made its graph program inevitably different for each compatible with data collected program that the user purchases. Colour graphs

PFS graph can work with either the Apple siftentype prin.

ter, the popular Epsom printer or the new Hewlett Packard low cost 747A plotter. With the latter, it can produce colonr graphs or transparencies which can be used for presentations. A version of the program designed to run on the Apple

### FT COMMERCIAL LAW REPORTS

### Director's indebtedness not a loan

CHAMPAGNE PERRIERJOUET SA V HH FINCH LIMITED AND OTHERS Chancery Division: Mr Justice Walton: April 26 1982

INDERTEDNESS TO a company incurred by a director in respect of payments made on his hehalf by the company and in respect of goods supplied to him by the company, is not a "loan" in the context of the statutory prohibition on leans to direcfors or the standard articles of association. Accordingly, in such circumstances, the company's rights under the articles to a lien over shares owned hy a person "indebted" to the company, can be validly exercised over the director's shares despite provisions in the articles that the company shall not make a loan en the security of ita shares.

Mr Justice Walton so held when giving judgment for the defendants, HH Finch Ltd, Mr James Lynch, and Mr David Welch, a Finch shareholder, in a claim by the plaintiffs, Cham-pagne Perrier-Jouet SA, a French company, for declararights over Mr Lynch's shares in Finch.

ARDROSS, whe has taken over Le Moss's mantle of staying champion of Europe, returns to the fray in this afternoon's Jockay Club Stakes at New-

It will be interesting to sec hew he fares over 11 miles against Glint of Gold and Amyndas, who recently clashed in Newbury's John Porter

Cecil and Piggott, for whem Critique finished a close third hehind Glint of Gold and Amyndas in that Newbury event, are clearly hopeful that Ardress can resume where he left off last season. They may well be in it, but the proximity of four right in thinking he can wie. but logic points to Glint of Gold Ditton suggests that Hula coming out on top.

Glint of Gold, a specialist 12 furiong horse, was runner-up. The Upper Lamhourn stable in the Derhy. He put up a of Nick Vignrs suffered a severe highly impressive performance and unforeseeable reverse when at Newbury in spite of looking Scarrowmanwick trailed home considerably less forward than either the second or third. He The setback dees not prevent was driven into the lead below the distance and was always Fellow will make a bold bid to traveHing just too well for redress the balance in the six Amyndas, to whom he was confurling Ely Handicap. ceding 6 lh. The Kingsclere four-year-old, who was ieclined to bang through tiredness, should win a shade more comfortably this afternoon, on a pound better terms.

Sing Softly is still more back-

embodied clause 10 and clause 11 Isignificantly altered) of Table A to the Companies Act

Clause 10 provided, "The com-pany shall net make a loan fer any purpose whatsoever on the security of its shares. Clause 11, as altered, provided "The company shall have a first and paramount lich on every share registered in the name of a liability to the company." During the course of Mr Lynch's directorship, he hecame greatly indehted to Finch, such

indebledness heing recurded, as was fairly common in such cases, in a "loan account." What had happened was that Finch paid a great many hills for Mr Lynch. and he look supplies of wines from Finch's stocks for his own company. Finch's affairs did not appear

to he prospering and by a deed dated December 14 1976, Mr Lynch's directorship was terminaled, and he undertoek to repay what was referred to as his "loan," of £27,000, at the rate of £52 per year. His own company also did not prosper, and on June 9 1979 he gave a HIS LORDSHIP said that Mr oo June 9 1979 he gave a Lynch held chares in Finch, a guarantee te the plaintiffs who private company of which he were its suppliers. On the same was a tife director. The com- day he executed an equitable were its suppliers. On the same

RACING

BY DOMINIC WIGAN

ward than many had anticipated a few weeks ago and the way could be clear for Hula Ruler and Top Lady to fight out the

finish to the pretty Polly Stakes. Hula Ruler, whn produced useful winning form in the autumn for Cumani, is ready to do herself full justice. Top Lady will be all the better for her initial effort in the Weod

There is likely to be little behind Top Lady in the Wood Ruler's ferm is prohably the better. The Upper Lamhourn stable

last in Tuesday's Victoris Cup. me from thinking that My Dear

> NEWMARKET 3.30-My Dear Fellow \* 3.00-Hula Ruler \*\*\* 3.30-Glint of Gold \*\* 4.40-Forest Ride

pany's articles of asseciation mertgage of his shares in Finch to the plaintiffs. Oe November 23 1979 notice was given to Finch of the existence of the plaitiffs' equitable charge.

Mr Lynch defaulted in making the payment of £52 per year and Finch obtained judgment against him fer £27,766 en May 18 1981. The plaintiffs called in the sums due under the guarantee on July 16 1981. The relief seught by the plain-

tiffs in the present actien was, inter alia, a declaration as to whether Finch had any rights ever Mr Lynch's sbares; and a declaration that the plaintiffs' rights over the sbares under the equitable charga took effect in priority to Finch's rights.

Having regard to clauses 10 and 11 of Table A, the first question was whether there was lean " by Finch to Mr Lynch. He was undoubtadly indehted te Finch, but such indebtedness did not arise, except in very small part, from any actual cash advanced by Finch te him. In the context of a prohibiting

on loans te directers in sectien 190 of the Companies Act 1948 now to he found in section 49 of the Cempaeies Act 1980], and the use of "lnan" in clause 10 of Table A, the correct meaning of "loan" was that to be found in the Shnrter English Dictionary: "a sum of money lent fer a time te be returned in money or money's worth." It followed that money paid

to B at the request of A was quite definitely not a load. If authority were required for such an obvious proposition, it was to be feund in Pott's Executors 1 IRG [1951] AC 443.

Neither the execution of the deed on Dacember 14, 1976, nor

Mr Lynch's default in payment of the £52, altered the status of Mr Lynch's Indebtedness to Fiech. It was a simple indebtedness, but not by way of loan. Under clause 10 of Table A. Finch would not be entitled to any lien on the chares in respect of a loan; but as the vast hulk of Mr Lynch's indebtedness did not arise out of any loan transaction, Finch had a lien over his shares, conferred by clause 11 ef Table A, as modified.

That lien took priority to the plaintiffs' equitable charge. Clause 7 of Table A. provided. . . . the contpany shall not be bound . . . te recegnise (even when baving notice thereof) any cquitable . . interest in any sbare. . . " The plaintiffs' notice given on November 23, 1979. could therefore safely be

The lien cenferred oo Finch he right to sell the shares under the provisiens of clauses 12 to 14 of Table A, embodied in the aritcles of sssociation. Clause 12 provided: "The company may sell to such manner as the

6.40-7.55 am Open University (Ultra High Frequency only); 9,00-12,00 For Schools, Colleges, 12,30 pm News After Noon, 1,00 Pebble Mill At One. 1.45 Heads and Tails. 2.02 For Schools, Collegs. 2.30-2.55 Weekend Wardrobe. 3.20 Pobol y cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Undercover Elephant, 4.25
Make 'Em Laugh — This week:
HSTTY Langden, 4.45 Newsround
Extra. 4.55 Blue Peter Special

Assignment.

5.40 News. 7.00 Are You Being Served? The first of seven programmes starring Molly

suggen and John Inman. 7.30 Odd One Out with Paul Daniels.
8.00 Enigma Files: Detective starring Tom

Adams. 8.50 Points of View with Barry Took, 9.25 McClain's Law starring

Finch without their first being offared to other membars after issue of a "sale nntica" to the cempany. The question was whether Finch had power under clauses 12 to 14 ef Table A to sell the shares without regard to article ".

Mr. Lyndon-Stanford for the James Argess. 10.15 The Battle for the Town Mr Lyndon-Stanford for tha Halls (London and South was nething in clanses 12 to 14 which meshed with the provisions of article 7. In particular, there was no provision East only). 10.45 News Headlines. in the clauses whereby a sale petice could be served. He said

10.50-12.35 am The Late Film: "Lee the Last" starring Marcello Mastroianni.

All IBA Regions as London except at the following times:

12.30 pm The First Oay. 1.20 Anglie News. 3.45 The World We Live in 5.00 About Anglie. 12.45 Sizerte. 11.15 Mombars Only. 11.45 Finday Leta Film: "RPM (Revolutions Per Minute)" sterring Anthony Quinn. 1.25 am Dear Olery. BORDER

12.30 pm Superstar Profile, 1.20 Serder News. 3.45 Maka Mine Music. 6.00 Lookstound Fridey, 2.30 The Sectric Theatre Show. 18.45 Werth Keeping. 11.15 Genger UXS. 12.15 am Serder News Summary. CENTRAL

12.30 pm Till Oivorce On Os Part?
1.20 Central News. S.00 Central's Girl of the Year 1882. 16.05 Central News.
11.20 Invitation to Robbery: "The Red Circle." starring Alein Delon. CHANNEL

12.30 pm Till Oivorce Oa Us Part, 1.20 Channel Lunchtime Naws, What's On Where. 3.46 Survival. 5.16 Here's Boemet. 6.00 Channel Report, fellowed

RADIO 1

9.00 Semon Bates. 11.39 Fain Sumeri. 2.00 pm Steve Wright. 5.30 Nowabest. 5.45 Roundtable. 7.00 Andy Paebles. 10.00-12.00 Tae Friday Rock Show, with Tommy Vance (S).

RADIO 2

6.00 sm As Radio 2. 7.00 Mike Reed. .00 Simon Bates. 11.30 Paul Surrett.

by Whate Un Where. 6.25 Spidermen. 7.30 Hert to Hert. 70.43 Channel Late News and Weather. 18.45 Heuse Calls. 11.29 Continental Cinema: "Promise et Bayen." 1.00 am News and Weather In French.

GRANADA 11.52 am Wattoo Wattoo. 1.20 pm Granada Reports, 1.30 Exchange Flags, 1.55 Abeut Britsin, 2.00 Kick 0ff, 6.30 Granada Reports, 10.45 Sizarre, 11.15 A Week on Friday, 17.46 Ngato Marsh

12.30 pm Till Olivorce Do Us Part.

1.25 HTV News. 6.00 HTV News. 6.30
So What's Your Pieblem? 10.43 HTV
News. 16.45 Flavers Oertsachlon 1962
(quarter finala). 11.15 The Lare Night
Film: "When Light Bells Toil."

117 Cymru/Wales—As HTV West
except: 8.50-10.05 am Mwy Naw Lel.
12.00-12.10 pm Beih Am Stori? 4.154.45 Stori'r Ceffylau Gwylit. 6.00 Y
Oydd. 6.15 Report Wales. 6.30-7.00

Making I Work. 10.45 Opportunity Weles. 11.45-1.30 am The Late Right Film (es HTV West 11.15 pm).

8.00 Gardener's World.

9.00 Playhouse: "Lunch."

11.30-12.35 am Snooker.

8.25 Newsweek

9.35 Snooker.

10.15 Scoep. 10.45 Newsnight.

12.30 pm Spellbinders (Lots Montez),
1.20 feetish News, 3.45 The Flying
Kiwi, 5.15 Private Senjamin, 6.00 Scetland Today, 6.30 Sports Extra: 5.45
Near, Hare, 10.45 Ways, 306 Meane,
11.16 Lete Call, 11.20 Movies Through
Midnight: "Creecende." starris6

12.30 pm Till Ovorce Oe Ue Pert.
1.20 TSW News Heedlines: 3.45 Survivel. 5.12 Gus Honeybun's Magic Birthdays. 5.15 Here's Boomer: -6.00 Today South West. 6.30 What's Afreed? -7.30 Hert in Han. 10.47 TSW Late News. 10.49. Coetinantal Chama: "Promise at Oswn," steining Mabra Marcoun. 12.30 em Postscapt. 12.35 Seuth West Westher.

11.52 am The Undersea, Advantures of Captein Name. 12.30 pm aygones. 1.20 TVS News. 3.45 The Cuckoo Waltz. 5.15 Sale of the Century. 6.00 Coast to Coast. 6.30 Friday Sportshow. 10.45 Stzarre. 11.15 "Benjemin." starring Pierre Clementi. 1.05 am Company.

the Local Elections.
11.50 Dolly starring Dolly Parton, 12.20 am Nightiife: Rawhide starring Clint Eastwood. 1.20 Close: Sit Up and Listen

with Mary Craig.

† Indicates programme in black and white

11.15 The London Programme:

The London Crunch: The SDP/Liberal Alliance and

TYNE TEES 9.25 am The Good Weid. 8.30 Herth East News. 12,30 pm The Washington Trail. 1.20 North East News and Lookrisi. 1.20 North East News and Lock-sround. 3.45 Fanglace. 6.00 North East News. 5.02 Sportstone. 6.30 North East News. 10.47 Fridey Night Film: "The News. 10.47 Fridey Night Film: "The House That Oripped Blood," staning logid Pitt and Peter Cualung. 12.50 am Poet's Cemer.

ULSTER

12.30 pm Untamed World. 1.20 Lunchtime. 3.45 Bygones. 4.13 Ultitor News. -5.15 Milestone or Milistones. 5.30 Good Evening Ulster. 6.00 Good Evening Ulster. 6.30 Chiffreen Strokes. 10.44 Ulster Woother. 10.45 Wittress. 10.50 Los Oranz. 11.50 News at Bed-

YORKSHIRE

11.55 sm The Undersea Adventures of Captain Name. 12.30 pm The First Day. 1.20 Calendar Nows. 3.45 8y-gones. 8.00 Calendar (Emisy Moor and Belmont). 6.30 Calendar Sport. 11.15 Pro-Celebrity Snooks. 12.00 Mannix.

RADIO

11.00 Petas Claytos with Reund Mid-night. 1.00 am Night Owls (S). 2.00 Star Wers (S). 2.27-5.00 You and the Night and the Music (S).

RADIO 3

HADIO 3

6.55 am Weather, 7.00 News. 7.06
Morning Concert (S), 8.00 News.
S.05 Morning Concert (continued), 8.00
News. 9.05 This, Weak's Composer:
Outsy (8], 8.45 Northern Sintenia of
England (S), 10.30 Monteverdi (S),
11.30 Beethoven end Brahma piono
trio reolari (S), 12.25 pm shidday Concert, part 1 (S), 1.00 News. 1.05
Midday Concert, part 2 (S), 1.50
Music for Piano Ouet (S], 2.25 Bath
Festivet 1981 (S), 4.00 Choral Evensong (S), 4.55 News. 6.00 Mainly for
Pleasure (S), 7.00 The Romence and G.00 am Ray Moere (S), 7.30 Terry Wogan (S). 10.00 David Frost (S). 12.00 Gleria Hunniterd (S). 2.00 Ed Stewert (S) including Recing from Newmerket (3.30 Jockey Club Stokas). 4.00 David Hamilton (S). 5.45 News. 6.00 John Bunn (S). 6.45 Sports Desk. 8.00 Barn Dance (S). 2.45 Friday Night is Music Night (S). 8.56 Sports Desk. 12.00 The Random Jottings of Hinge and Sracket. 10.30 Atlantir Cooke (a personal view of popular music).

the Rose (S). 7.30 Victin and Celio recital from the Broadcasting Centre, Indiana programme pews. 1.00 The World of One. 1.40 The Archers, 1.55 Shipping recital from the Broadcasting Centre, Birmingham, part 1: Brahms (S).

8.75 Playing the Game, 8.35 Victim and Celio, part 2: Statum (S), 9.55 Crowded Hours. 70.10 Hindemith and Sedlerd (S). 11.00 News. 11.05-11.15 William Williams (S].

RADIO 4

6.00 am News Stiefing, 8.70 Ferming Today, 6.25 Shipping Forecast, 6.30 Today, 8.33 Yesterday in Perhament, 2.57 Weather, Inc. 1.50 News. 7.05 The Archers, 7.23 Prof. 6.90 News. 1.00 The West (S). 8.30 Prof. 8.30 Costs (S). 9.45 Inverses Agreem in Spring, 10.00 News. 10.00 The West (S). 8.10 Prof. 8.30 Costs (S). 9.45 Inverses (S). 11.00 A Book at Bedtime. 11.75 The Financial World Tosight, Today in Parliament, 10.30 Versith Roger McGough, 11.00 News. 11.03 Versith Roger McGough, 11.00 News. 11.03 Versith Roger McGough, 11.00 News. 11.03 Worship delves into the BBC Sound Archives, 12.00 News. Children (S). 12.55 Weather, Iravel,

The second of the second

ŝ 1 1 7.





#### TELEVISION

Chris Dunkley: Tonight's Choice

Friday is American benefit night on ITV. The netw opens with a half-hour American style game show, goes on to a one-hour American import, into a British sitcom, then a 60-minute drama (which seems twice that long) about American servicemen in Britain, followed by the news, and then various programmes in different regions: Benson a half-hour American comedy in London, for Instance, and Bizzere another half-hour American comedy in Lancashire. In London we then have just half an hour of local material followed by half an hour of America's Dolly Parton and an hour of America's Rawhide.

The British sitcom is The Bounder which is worth watching 6.00 Regional News Magazines. for George Cole. Everything he makes is worth watching. Yet the teaming of Cole and Peter Bowles, although it may well grab the ratings, seems to me a professional mistake: they don't contrast enough in comedy style.

Newsweek on BBC2 examines the extent to which the rows between left and right in the Labour Party are reflected in the trade union movement. In the .. "Playhouse " work Lunch two women who swap news over lunch every fortnight suddenly discover they have more in common than they realised.

#### BBC 2

6.40-7.55 am Open University. 11.00-11.25 Play School. 5.10 The Roaring Silence. †5.35 "College" starring Buster Keaton. 6.40 Something Else.

7.25 News Summary. 7.30 Snooker.

by What's On Where. 6.35 Spidarmen

GRAMPIAN 9.30 am First Thing. 12.30 pm Wild, Wild Weld of Animals. 1.20 North News. 3.45 Petterns. 6.00 North Tenight, lectuding Sports Desk. 10.45 Pelinte North. 11.45 The Streets of San Francisco. 12.25 am North Haadlines.

SCOTTISH

TSW

TVS



Wack. 12.00 Nevrs. 12.02 pm You and Yours. 12.27 Frank Muir Goes Into . . .

Device Sound Pulses



"My wallet was bulging with cash and it wasn't in American Express Travellers Cheques. I could feel the locals watching me and they didn't look friendly..."

ou must know the feeling if you travel abroad with lots of money. That look of envy you sometimes get. I put the wallet away in a hurry and slipped out of the bar without waiting for my change.

For the next couple of blocks I walked quickly, glancing back occasionally to see if I was being followed. I wasn't, but the incident reminded me how conspicuous you can feel carrying large sums of cash.

Ever since then I've taken my money in American Express® Travellers Cheques. It's amazing how much safer you feel. Do you know what happens if they're lost or stolen? All you have to do is contact the

nearest American Express Travel Office\* and you can arrange a refund while you're still travelling, so your trip isn't ruined because of your loss. You don't have to wait until you return home.

How do they provide this service?

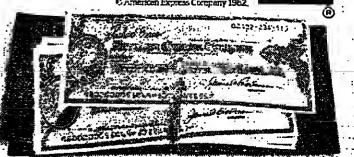
They are a world-wide organisation with offices in 160 countries, so wherever you go the chances are that they are in a position to help you.

The other reason why I much prefer American Express Travellers Cheques is that they are so well known. People around the world recognise and trust them, which means that you find countless shops, hotels and restaurants, not to mention banks.

where they are happy to accept them.

So the next time you travel take the world's leading travellers cheques, from American Express. There's no

Safer Way to Carry Your money.
\*Travel Service Offices of American Express
Company, its subsidiaries or Representatives.



American Furnes Transllore Charmes

### THE MANAGEMENT PAGE

### The 'skinflint' airline that got a grip on itself

Ian Hargreaves explains how TWA is fighting the squeeze in the aviation industry

ASK Edwin Smart, chairman that only the most modern fleets able to take more time over its 8.5 per cent. But because fewer of Trans World Corporation. could survive in a period of plan, which over a period whether he has ever serioz-ly rising fuel prices! whether he has ever seriozely Withought about selling his main p business. TWA, the most in flourishing of the big U.S. intertinational airlines, and you get as the industry's skinflints.

wwhat he calls "a guarded Today, they are hailed as two

"It is a subject," he says, transfer which cannot be disregarded. With only one or perbaps two exceptions no airline in the U.S. has generated an adequate return on capital. The business man has to look at that fact and ask himself whether it is a portent for the future or not." He has received two actual approaches, be says, one well publicised from Texas Air; the other, never disclosed, from an ag ci unnamed source. The board. he says, decided on both occao: sions that TWA was not for e; sale, hnt, he adds: "every s: property in the business world ti ultimately has its price."

C If that sounds like a recipe

for unesse among the ranks at d one of the world's largest and n best known airlines, such has indeed been the case. But, when you boil it down,

it has also been the underlying a reason why TWA and its parent corporation, under Ed Smart, have so far come through the worst slump in the U.S. airline industry's history more or less unscathed, in sharp contrast to the 1974-75 recession, when E TWA was, with Pan Am and a couple of others, a prominent member of the industry's

casualty ward. Pan Am flew out of that recession smack into the same problems in this one. The airline expanded (by huying Airlines) National modernised its fleet at breakneck speed in pursuit of the industry's conventional wisdom

rising fuel prices! Ed Smart, and the finance

man he promoted to run TWA. C. C. Meyer, became known of the few who got it right.

According to Neil Effman, TWA's head of planning, it was almost as simple as taking finance seriously, something which is not automatic in an industry noted before the current slump for its clubby disdain for matters financial. We brought in the finance function—that was a major part of it. They laid on the line what the available capital would be in a realistic fashion."

#### Wriggle out

From that fundamental stringency, and a resultant decision never to make longrange aircraft purchase commitments, TWA constructed a strategy. (In 1979, TWA got Boeing to break with traditional practice and agree to take firm orders for 10 767 aircraft and 35 options, rather than Boeing's normal formula of allowing one option for each firm order. Other airlines ordered in excess of 30 767s and have since been trying to wriggle out of their

The strategy involved, obviously, cutting routes where the airline no longer had the right aircraft or adequate traffic to sustain profitable business, but the re-alignment was made relatively painless by the decision to implement it in a boom which made job losses less sizeable and less painful. Because the cuts were counter-cyclical, TWA was also

"hnb and spoke" structures to be developed in the late 1970s by a number of the more suc-cessful American airlines.

Hub and spoke involves an airline focusing its business on the airports where it has a lot market position and finding, so far as is possible, opportunities to link up flights and timetables to carry its passengers on two and three leg journeys without delivering them into the arms of another carrier. This is a particularly useful strategy for an airline like TWA which has important, profitable long-haul international routes like the North Atlantic where competitioo is strong both on price and service quality.

So. TWA worked to build up hubs like St. Louis and Kansas City, increasing service by 75 per cent to St Louis, for example, partly by adding flights to smaller cities not previously served by TWA. In total, TWA now serves 50 U.S. cities, against 35 before 1976-a change made possible, of course, by President Carter's decision to deregulate domestic airlines and allow them to enter or abandon

routes at will. The quid pro quo was to pull hack from some big cities, like Chicago, dominated by the home-town carrier United, and where TWA has cut services by 60 per cent since 1976.

The net result of all this was that TWA flew into 1980, which until the Carter Spring credit crunch every one expected to be a good year for airlines, on a path of contraction. The amount of revenue passenger traffic fell by 8.8 per cent in 1980 and in 1981 by a further

seats were being offered, the pied actually rose against the industry trend from 61.7 per cent to 62.4 per cent.

Even this, however, was not enough to keep TWA out of the red and the airline lost \$75m will doubtless show another hefty loss in the first quarter

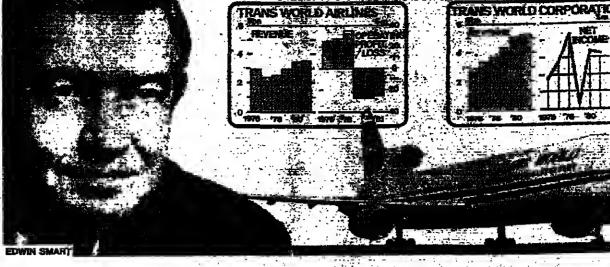
But bere, the other advant-age of Ed Smart's lack of sentimentality about aeroplanes came to the rescue in the form of the non-airline businesses he had been able to build up in the period while he was, in a sense, starving TWA into better health.

Hilton International, a major hotel chain, with a policy of managing rather than owning bas become highly profitable and is now expanding vigorously into the U.S., where it may find the going tougher.

Canteen, a food service group acquired from ITT in 1973, is suffering somewhat from Midwest tummy—it serves primarily the depressed factories of the industrial midwest-but Smart sees a brighter future as the company builds up its business in the sports arena and office service sectors. Canteen last year increased pre-tax profits from \$19m to \$22.1m.

Spartan Food Systems owns low-price family restaurants mainly in the economically healthy sunbelt and increased 1981 pre-tax profits from \$21.1m to \$30.3m in what was only its second full year as part of Trans World.

Century 21, a buge, franchised chain of estate agents, bought by Smart in 1979, trunk carriers' (major airlines') should therefore soon start to managed a modest profits market. Perhaps more poten-make some progress. But the



increase in spite of the worst year in the U.S. housing market since the 1930s. This business, says Smart, offers scope for another phase of diversification into insurance field. the

The hottom line told the story. Net income of \$64.3m was down only a traction on 1980, in a year which nearly killed two large airline competitors, Braniff and Pan Am, and which led to the effective merger of two others—Conti-nental Airlines and Western Airlines. As icing on the cake, TWA also ended the year with a stronger balance sheet than when it started, thanks to a deftly timed venture into the equity market and a sale of some low-interest debt which cut the company's debt to equity from just over 2:1 to 1.8:1. In 1975-76, the ratio peaked at

World's is no exception. The most obvious sacrifice

has been an estimated percentage point drop (to just over 7 per cent) share of the U.S.

compares, for example, with a little over 7 years at Delta, the industry's most successful

#### Wage freezes

Even this negative, though, is somewhat offset by the recent decline in fuel prices, which makes older aircraft less of a cost liability. It can hardly be claimed by TWA that it foresaw the oil glut, but rapid changes of this kind have certainly made a virtue of the short-horizon planning technique.

Another valid criticism has been TWA's relative slowner off the mark in tackling its problem of inflated labour costs at a time when its more crisiscomes without costs and Trans stricken competitors have been negotiating wage freezes and even pay cuts thick and fast Recently, however, TWA has completed the first of a series of scaled-down pay deals and

U.S. domestic trunk airlines.

WHAT TWA MEANS TO TRANS WORLD CORPORATION

When set against the up and coming new and regional carriers, as TWA is on several U.S. routes, the airline is just as much out of line as any of the other flabbler trunk carriers. For its service between La Guardia stroot New York and Columbus, Ohio, TWA reckons it spends \$6,096 per flight to offer 101 sexts, compared with the \$3,187 of rival People Express, which pays its staff less and manages them better.

An even more intractable problem for TWA is its seasonal difficulty caused by the fact that its August traffic is roughly 180 per cent of its normal February traffic. In an attempt to increase use of its ent in winter, TWA alled into the overcrowded

unity damaging has been the sixting has a long way to go. But in spite of these well-unchecked ageing of TWA's sufficiently by its own admission, sixed difficulties and the fact oldest of any major carrier and to a sold domestic operating cost that in TWA's view compares, for example against a 52.5 cent average for probably remain in 1982 at the depressed levels of 1931. Trans World looks like a company which has got a grip on the problems which face it. This suggests: that in the next cyclical update, it should be a very profitable company indeed. Profitability also stands to gain from the demise of Laker Airways and by the gradual softening of the Reamon Administration's stance lowards the participation by U.S. airlines in the price-fixing

Air Transport Authority. TWA's strategy is obviously not beyond challenge-indeed Eastern, which has been boldly if riskily trying to expand market share through the slump is pursuing a diametrically opposite course-but for the moment it certainly looks like the right one.

Florida market two years ago, helping to cause a fare war and suffering losses as a result.

Even Ed Smart, an ex-lawyer who cultivates both his sentences and, one guesses, help Effman, whose problem this enthusiasms, with little haste is, confesses that TWA is and much precision, sounds like running out of ideas on how to he is encouraged. Maybe, in solve it, short of trying to break time, he will even start to further into the almost equally believe his airline's own tight winter sun markets of advertising jingle: "You're Mexico and the Caribbean goung like us—TWA."

#### supply of to systems ICL users exceeded Mose TPS-was mont severnut each ocquired by fen more organisations in more organisations March 1982 alone? Whose TPS is so far Who has over sixly ahead that users designers and programmers working exclusively on ICL to Whose business is it to Who should you talk to you won! your users to be online, on time, Who is about to launch the software system which will revitalise ICL? 🕒 the answer is 🗕 \*Telecomputing



CREDITO COMMERCIALE - ACCOUNTS 1981

# NOTHER GOOD YEAR.

In 1981, in keeping with the policy pursued in recent financial years, we have aimed at strengthening our net worth by containing the costs, particularly for deposits, and by improving and developing services. At the same time we have endeavoured to maintain our domestic market share through increase of current standards for a current standards. proved levels of professional standards for our staff.

As regards credits, subjected to restrictions, more attention has

been paid to giving constant support to deserving enterprises also by making an ever wider use of acceptances and guarantees. 10,680 million lire (8,471 million in 1980), of which 3 billion were distributed to share bolders and 7.6 billion were allocated to the

- DIVIDEND: 300 lire per share, payable from April 28, 1982 (240 lire in 1980).

CURRENT AND DEPOSIT ACCOUNTS:
2,725 billion lire, of which 2,172 billion were customers' depo-

LOANS AND ADVANCES:
 2,000 billion lire, of which 1,148 billion with customers.

SECURITIES PORTFOLIO: 730 billion lire, with a profit of 12,811 million including trading

Further expansion of the foreign department (+43%) and secu-rities (administered securities amounted to 1,429 billion, +43%).

- DOCUMENTARY CREDITS, GUARANTEES, ACCEPTANCES: They were increased to 363 billion (+52%) including 102 billion anker's acceptances.

1,995 employees, +5% over 1980. - MAJORITY SHAREHOLDERS:

Monte dei Paschi di Siena Group.

SOME SIGNIFICANT BALANCE FIGURES AS AT 31/12/1981: DEPOSITS: customers' deposits
banks' deposits 2,172 518 FINANCIAL ASSETS: 1,148 850 294 loans and advances to customers
 deposits with Italian and foreign banks compulsory reserve with Banca d'Italia 730 SECURITIES PORTFOLIO SHARE CAPITAL, RESERVES AND FUNDS 125

Edoardo Cateliani Alberto Falck General Manager: Ginseppe Lazzaroni

CREDITO COMMERCIALE



### Cut and thrust for business warlords

years. Now it seems to be the spiritual level of people who turn of a seventeenth century practise them. The list includes turn of a seventeenth century in the U.S.

Musashi's book, written in a American edition, apparently to people who believe that his down-to-earth instructions on how to thrust and parry contain precious clues on ways to drive your competitor out of business. The paperback edition of the book went on sale in Britain yesterday with the publishers confidently predicting another runaway success.

It is no criticism of Musashi (though it may be one of his publishers) to say that a close study of A Book of Five Rings will not enable Western export managers immediately to score smashing successes in the Japanese market, or to parry Japan's invasion of them. In so far as the book's teachings have any direct application our-side the world of fencing they seem to be very general indeed and by no means uniquely

Musashi places beavy stress, for example, on the importance of timing, and says that in order to win in a fencing match you should try to put yourself in your enemy's shoes. Both these observations could presumably apply in other contexts (includ-ing economic ones). But neither seems to justify the claim that a 17th-century fencing master can unlock the secrets of to-day's "miraculous" Japanese

If Musashi has something to offer modern readers who are not themselves expert, or wouldbe expert, swordsmen, that something is presumably the philosophical framework that underlies his practical hints on fighting. The anthor makes clear from page one of his short treatise that sword fighting is actually abont something much more than polishing off one's anemies. The Way of the Sword (Kendo) is, in Musashi's eyes a form of discipline that can lead its devotees towards a state of enlightenment worth attaining for its own sake. Exactly what this state consists of is what this state consists or is not described in the book— except in the single enigmatic paragraph headed "The Void" which forms its final section. The nselessness of words

describe what Musashi claims to be offering his readers, however, merely proves its value

**NEW/SECOND HAND AUTOMATIC RADIOPHONE?** If you are one of the fucky few who have been offered a number by Telecom on the London Automatic Radiophone

Service, we can help.

# QUALITY circles, robots and in Japanese eyes. In this sense

the life-time employment system Musashi's Way of the Sword is have all been credited in the like the numerous other West with holding the key to Japanese "Ways" that are Japan's success in the past few claimed to raise the moral and swordsman, Miyamoto Musashi, other martial arts such as judo whose book on "strategy" has as well as peaceful arts such become a runaway bestseller as calligraphy (Shodo) and the tea ceremony (Sado).

The two levels on which cave in 1645 and translated into Musashi approaches the subject English by one of the British of how to become a swordsman, Museum's Japanese specialists, one severely practical, the other has sold 130,000 copies in its abstract and idealistic, can be paralleled elsewhere Japanese life not least in the business world where company presidents often claim a "higher significance" for their actions than mere profit seeking.

Grasping all this is one of the tasks that confront Westerners who try to work with (or even against) the Japanese. It is a task which calls for a good deal more than a two-hour reading of a 17th century treatise on swordsman-ship, but even that presumably could belp. At least the hook provides some insight into the mind of a man whose combination of cruelty, idealism and artistry could probably only have existed in Japan.

A Book of Five Rings by Miyamoto Musashi. Allison and Busby, £2.95.

Charles Smith

### **PROFITS IN EXCESS OF** LIRE 1.5BN FOR SABIEM

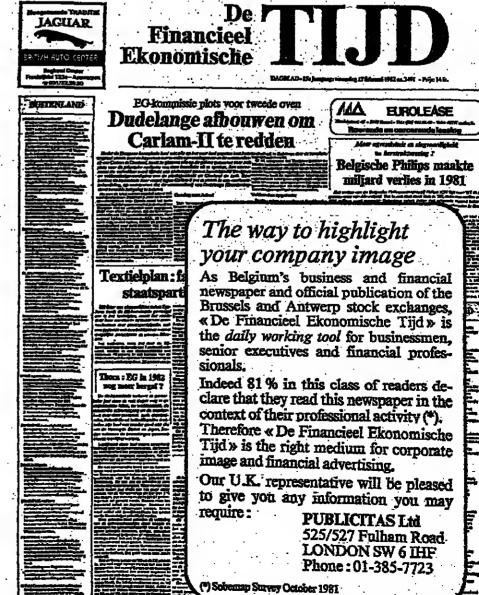
Sabiem, the Bologna-based elevator manufacturing subsidiary of the Bastogi Group reported a turnover of Lire 48bn in 1991, with a 39 per cent increase over the previous year and against losses of Lire 3.5bit in 1979.

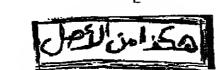
At a meeting recently held in Bologna to approve the 1991 company budget Sabiem's chairman. Mr Edoardo Cappteccio, told shareholders that the group's successful performance last year was due to the introduction of a number of measures. The company, with a workforce of 877, whose exports last year amounted to 46 per cent of production, improved company management of commodity credits, thus increasing liquidity and cutting floancial charges. Subcontracting operations were also reorganised and domestic and foreign sale networks improved to expand the group's export markets. Production was streamlined to expedite orders on the books. Sabiem also promoted its R. and S. activities especially in the field of elevator cages design, with a view to those markets particularly interested in Italian with a view to those markets particularly interested in Italian

SABIEMS TURNOVER FOR 1981 (AS COMPARED TO 1980) Domestic Sales - ... +62 per cent

+58 per cent Domestic Maintenance and Repair Work +21 per cent. Smeited Pig 1ron Production

The Group's indebtedness was cut by 22 per cent and its bank borrowing fell by 36 per cent. Profits were also reported by Sabiem's subsidiaries in Mexico (Esda), Venezuela (Caes) and Italy (Sime).







Financial Times

### The Rolls-Royce is not the car it was.

SOME THINGS THAT HAVEN'T CHANGED

Last Monday we promised to show readers of the Financial Times the changes that have made the 1982 Silver Spirit the most advanced car ever to carry the Polls-Royce name.

One other virtue of the car is worth mentioning – and that a less fashionable one. It is conservatism,

-NEXCESSOR

\* TANFOR

with a small c.

It still takes one man one day to make the Rolls-Royce radiator. It still takes him five hours to polish it. And the man who wrought this unique piece of sculpture still demonstrates his pride of craftsmanship by engraving his initials on the back of

the gleaming finished product.
Rolls-Royce still employ specialists
- leather workers, tinsmiths, cabinet makers, seamstresses, the best of their kind in the world—to do by hand and eye what machines cannot do.

It still takes over three months to make a Silver Spirit.

And it is still true that every car that leaves the factory is, in a thousand subtle ways, different from every

These things are so, not just because Sir Henry Royce decreed them, but because this kind of single-minded perfectionism is the only way

to make the best of anything in the



Number 5 in a series of advertisements for the Rolls-Royce Silver Spirit. Rolls-Royce Motors Ltd., Crewe, Cheshire. A Vickers company.

among institutional investors for commercial property swept nearly £2bn of pension fund and insurance company money into the UK property market during 1981.

That tide may well oow he on its way ont but, according to this week's figures from he Central Statistical Office, it managed to carry the institutions along on the higgest property apending spree yet

... The CSO figures show that, apart from share acquisitinns in property groups, the UK pension funds, insurance companies and nuit trusts last year spent £1.95bn on direct property investment, an locrease of about £100m on the record 1980 level.

get their adrenalin racing.

as well as offering houquets and

brickbats to individual firms,

tbey tendered a warning for

the whole estate agency and

surveying profession.

the commercial property sector during 1981 while the pension funds reduced their investment programme. Insurance company investment climbed to £1.07bn against £853m in 1980 bnt pension

It is the British estate agents' ment File reckons that while,

Together with other institufund investment fell from tional shoppers for property. the combined total reached and property unit trust invest-£2.2bn against £1.9bn in the ment rose from £99m to previous twelve months. £125m.

ll appears that the insurance

companies invested more in

is at least one which tends to estate agents on a permanent steadily moved up the league

For the fourth consecutive year.

Jones Lang Wootton emerges as

the prime choice among respon-

hasis has fallen. Annual Invest- table.

It would be surprising to With most observers now see the same bnoyant investexpecting a much more cautions attitude towards proment pattern repeated in 1982. There is unlikely to be perty and investment and any substantial weakening in development during 1982, the CSO statistics indicale that the funds' desire to purchase the pace was slowing down prime property when it becomes available or to continue in the final months of last to invest in carefully selected During the year as a whole.

projects. But narrowing development margins are hecoming the order of the day, beightening still further the need for selectivity and at least partially restricting an option which bas acconnled for a growing proportion of avail-

Jones Lang holds on to poll position ESTATE agents may, like this the first time since it was third to second place. Third column, he sceptical about the established in 1978, the number position is now occupied by value of opinion polls, but there of large companies employing Kiog and Co., which has

The remaining top teo posisurvey conducted annually by a year ago, 45 per cent of the tions, dominated by London Annual Investment File among country's top 3,000 companies firms, are—in descending order the property directors and maintained a continuing relathe UK's largest companies. This year, over 450 companies to just over 30 per cent.

This year, over 450 companies to just over 30 per cent.

The with their 1981 positions in hrackets—Healey and Baker (4). Weatherall Green and Smith (14). Gerald Eve (19), as well as offering houquets and partnerships and their reliable (8), St Quintin (11), Eadon Lockwood and Riddle (7) and Fuller Peiser (10), Highest new entry was Lalonde Brothers and Parham urveying profession. dents, while Hillier Parker May from Bristol, which moved in The survey reveals that, for and Rowden move up from at number 12.

### Industrial rents 'set to rise again soon'

ZERO RENTAL growth, rock- of 1984, implying real but bottom demand and acres of modest rates of growth next empty space in the industrial year and in the following 12 property sector have not months. managed to squeeze out everydrop of optimism about mediumterm prospects.

clusion drawn after a visit to 1981 levels. They would remain the Grosvenor Street offices of Hillier Parker May & Rowden, during the previous market who clearly believe in thinking positive, irrespective of the present gloom,

The agents have produced, for the first time, a forecast of industrial rents up until the end of 1984 and the results should cheer a few hearts.

which concedes that its projections might appear optimistic and even—to use its own des-cription—"strange," the worst will soon be over. The forecast, it should be emphasised, relates to modern

industrial property only and it suggests that although rents

continue to stagnate up until the end of 1982 (they will rise hy just over 7 per cent in the year up to this November) they will recover slowly through 1983 and 1984. The prospect, according to Hillier Parker is for industrial

from last November to the end

rents in current prices to rise at an annualised rate of about 12 per cent over the three years

Such a performance, if it materialises, will still however only return rents-after adjust-That, at least, is the con- ment for inflation-to their May below those being achieved peak of 1979 and stay even further below the long-term high of 1974.

Hillier Parker says its optimism is based on the prospects for improvements in manu-facturing output and productivily, allied to the present According to Hillier Parker, decline in new industrial buildings, which it believes could lead to a relative shortage of new space and the potential demand from those sectors of industry more resilient to the impact of the recession and more willing to pay for good quality accomodation.'

> There must he a suspicion. however, that the time-scale for revival could be substantially longer than Hillier Parker suggests, with the overhang of space (even when it comes to modern, efficient accommodation) capable of holding hack and real improvement in rents even if demand picks up.

As for the older space; ideas please on the back of a sacond class stamp.

#### Grosvenor builds in Bournemouth

GROSVENOR Estate Commercial Developments will next year start construction of a £t0m shopping complex in Bonraemouth town centre.

The property company has now acquired the site of the former Hanls and Dorset Bus station in The Square. Bournemouth. The development will extend the town's existing shopping centre towards the new Conference Centre, now under construc-

The retail scheme will take 24 years to build and will provide 100,000 sq ft of retail space including restaurants. Edward Erdman and Fox and Sons are joint letting agents. Centrovincial Estates is understood to have paid a figure approaching £4.5m for Northwest House, a 35,000 sq ft office block in London's Marylebone Road. The building was sold by limited tender for clients of St Quintin. An asking price of more than £3.8m was sought. Centrovincial, which was

advised hy Pepper Angliss and Yarwood, intends to extensively refurhish the hullding to provide an office block of 45,000 sq ft.

Norwich City Council and the Carroll Group are in jointly develop a £15m hosiness park for the Bowthorpe

employment area. The phased scheme will provide 450,000 sq ft on 24 acres over an eight-year period.

### Rohan steps into controversial scheme

into an already controversial planning wrangle in Eastleigh, Hampshire.

The Irish-based developers are proposing a £2ām redevelopment in the town centre, but they are not alone in nurturing such ambitions.

Existing plans to redevelop the centre by Taylor Woodrow and Sam . Chippindale, the former Town & City man, have been around for some time and have been hit by lengthy delays. Problems have arisen in the form of objections to land acquisition by the local council and a public inquiry Into their compulsory purchase orders is due to start on June

It is somewbat surprising, therefore, that Rohan should have stepped in at this late stage with its own plans for a 300,000 sq ft development. Taylor Woodrow's scheme, which is supported by the local authority. calls for a 400,000 sq ft development on the same seven-acre

Rohan believes that it may have stolen a march by proviacquire two strategic parcels of land at the eastern end of the site. These are each of aboutone acre and are occupied hy the Co-op and Peter Green, a furniture showroom.

Both stores have opposed

have stepped on a few tender the local authority which has toes with its last minute entry been assembling land in sup-Chippindale scheme.

 $F^{(1)}$ 

CONFE

NATI

Mo:

port of the Taylor Woodrow! Rohan, which claims to have wide support from existing retailers in the area, says its

scheme is less expensive and

extravagant than is the Taylot

Woodrow/Chlppindale plan, Taylor Woodrow, however, refutes suggestions that its plans: may prove more expensive and believes it will be able to attract a premium from retailers seeking to occupy a first class scheme. On this basis net costs might work out the same, or even cheaper than the Roban scheme, says Taylor Woodrow.

The joint venture partnership, Taylor Woodrow/Sam Chippindale, was formed only a couple of years ago. It looked an idealmarriage, with the financial muscle of Taylor Woodrow com-Chippindale, who pioneered the concept of covered shopping complexes in Britain through his

Arndale centres.

The partnership, however, has been dogged by ill-fortune. It has so for taken on board-four major retail schemes. Of these, a town centre developat Leicester has been sed. The other three scrapped. schemes at Portsmouth, Rotherham and Eastleigh have been subject to lengthy delays because of the retail recession.

and planning problems.

ANDREW TAYLOR

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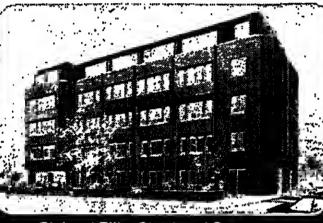
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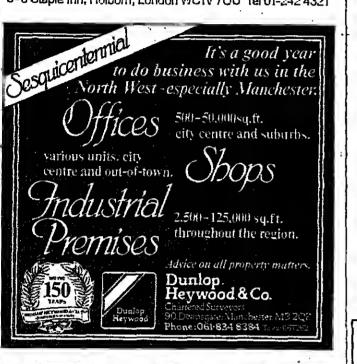
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### Senior position at Thorn EMI

Me P. A. D. (Paddy) Duffelf.

Bai Rech appointed international director of THORN EM. He succeeds Mr C. Wainer who is retiring. Mr Duffell recently returned from Australia where be was managing director of EMI (Australia). Before going to Australia in 1979 he was group overseas director of EMI. Mr J. W. Dalman. property manager of BRITANNIC ASSURANCE is retiring on June assurance is retiring assistant 4. Mr. C. G. Reine, assistant property manager, will succeed him as property manager on June 7.

Mr L. Debson, a non-executive director, has retired from the board of McKECHNIE BROTHERS.

INSTRUMENTS. Mr Grandidge, who is chairman and managing director of Negretti & Zambra (Aviation), has also been appointed chairman and managing director of Negretti & Zambra. Both these N & Z companies are direct aubsidiaries of Western Scientific. The overseas activities of Negretti & Zambra are being transferred to Western Scientific. International, the group's marketing subsidiary. Mr Malcolas Mailr, a member of the parent board, will be the managing director of this subsidiary. Mr David Bailey becomes finance director of the group board. Mr Terence J. Mr R. D. E. Levell will be join-ing the partnership of E. B. SAVORY. MILLIN AND CO., Stackbrokers, on May I. MORGAN GRENPELL is making the following appointments on May I. Mr J. S. S. Syrett will become a director of

Morgan Grenfell International Mr E. K. Food and Mr E. Kang are appointed assistant directors of Morgan Grenfell & Co. BROWN SHIPLEY INSUR-ANCE SERVICES has appointed

Fig. R. W. Thrower as deputy managing director of Holmwoods & Crawfurd (Marine & Inter-national).

Mr Nichelas Gordon-Brown has been appointed a director of ILOYD-HUGHES ASSOCIATES. CONTRACTS

### £1m computer system order for Burroughs

In an order valued at more than film BURROUGHS MACRINES is to install a nine megabyte dual processor B6990 large-scale computer system at the Woking headquarters of BAT (UK and Export). As the minimizer Export). As the culmination of the first phase of BAT's integrated computer octworking system, the B6900 will replace a number of smaller computer systems. BAT's two factories, three warehouses and London offices will be linked to the B6900. VDU terminals in every department and 100 hand-held microcomputers—used by the sales representatives for direct order entry-will also linked to the B6990.

TELEFUSION CONTRACTS division has wen a contract worth £1.6m from the Depart-ment of Transport, traffic control and communications division to design, manufacture, install and maintain for ten years a fibre optics based television surveillance system on a new 13 km section of the M25 motorway. The system is expected completed early in 1984.

KENT PROCESS CONTROL, a Brown Boveri Kant company, has won orders worth more than flm to supply measurement and cootrol equipment for a new vitamin C plant and associated power statico being built for the pharmaceuticals company Roche Products at Dairy, Ayrshire. The major part of the contract covers a total of 70 metres of control panels for a number of main control centres in the Vitamin C plant. Equipped with more than other instruments from the Kent
P3000 range of pneumatic equipment, plus other indicators and
recorders, they will provide
comprehensive control of the process plant.

Mr John E. Grandidge has

been appointed deputy chairman of WESTERN SCIENTIFIC INSTRUMENTS, Mr Grandulge.

group hoard. Mr Terence J. Adams, disence director of Negretti & Zambra (Aviation), has also been appointed to the board of Western Scientific Institutes of the Ins

Mr Hugh Gillespie, regional director of Hill Samuel & Co. based in Leeds, has been appointed to the board of CAMREX (HOLDINGS) as a non-

An order worth more than EDR.000 has been placed with JOHNSON MATTHEY EQUIPMENT for hydrogen generation equipment of ipari Sverelveny es-Gepgyar, a tungsten carbide plant in Bodapest, Hungary. The order is for a G30 hydrogen generator together methanoi/water fuel systems and spares.

DIVIDEND ANNOUNCEMENT

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coats US stock stridend per share

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.The Board of Directors.

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Cinema

### Penury and venery by NIGEL ANDREWS

Christ Stopped at Eboll (A) Camden Plaza La Ronde (A) Barbican

Coronet Notting Hill, Ace Brixton

Gnsrled skeleton trees and weeping skies: peasant faces like wrinkled old apples: barking dogs, howling winds and scurrying crows. Francesco Rosi's Christ Stopped at Eboli is set in bleakest Lucania, Southern Italy a rocky wilderness of hilltop villages and is as brilliantly fine-tuned to the spirit-of-place as any flim Gaunt and God-forsaken-

and of Carlo Levi's autonographical book on which it's based (Eboli is the last outpost of civilisation in the journey southward and inlsud)—Lucania is also gruesomely beautiful: its villages and tumbledown topography. of ruined chicsas. corkscrew streets and permanent landslide. Rosi sees the heauty too, but his film is shout the suffering of the people inside the landscape: the pain and penury uoder the stretched skin, the self-destruc-tive superstitions under the peasaot's timeless stoicism.

Levi's book appeared in 1947 and it records diary-like his stsy io Gagliano, a remote mountain village where be was "exiled" as a political prisoner between 1935 and 1937. Levi came to Lucania as a paioter, an anti-Fascist and a qualified though non-practising doctor. Once drawn into the life of the illoessplagued village, though, where dubious quacks administered to doubting peasants, he unpacked his skills and laid about him bravely with stethoscope and

A Fistful of Dollors) to play Levi with a superhly shaded, hanked and brooding presence. Around this solid centre Rosi spitts the film into genre picture fragments as beautifully jacged as the stone walls and sheer crazy streets of the village. Characters erupt into the story

donkey and rails against II Duce; the courtly, portly Fascist mayor (Paolo Bonacelli); the eccentric Barone (Alain Cuny); Women Live the black-eyed and superstitious housekeeper (Ireoe Butterfly (X) Prince Charles Countryman (AA) scrubs his back and laves him with local folklore and mysti-

Rosi used to make films that were like mad escaped jigsaws (Salrotore Giuliano, Lucky Luciano). They chopped up time and place with dervish scissorwork and bad a virtuosity scissorwork and bad a virtuosity part artistic, part acrostic. Christ Stopped at Eboli has its own and wholly different brilliance: a Rembrandt-like humanity dunked in glowing earth colours, a magical alertness to sounds (from cicadas buzzing in a hot noon to the purring winds across the village square) and long, rolling tracking shots that sween his charachence the title of the movie and of Carlo Levi's autobloing shots that sweep his characters into an elemental, all-embracing fresco. The film dwells in the shadow-line between primitivism and pro-gress, the Middle Ages and tha 20th Century, and it's an exquisite fugal conversation between

> With La Ronde waitzing screenward in the same week London is embarrassed with riches. Arthur Schnitzler's newly reborn play has already scattered its chain-linked Vienneae couples—the prostitute who meets the soldier who meets the maid who meets the student—across a clutch of new productions on stage and TV productions, on stage and TV, Now it's the turn of Max Ophuls's 1950 film to make its return how, after 20 years of unavailability, and to hithely outshine them all. The first thing you can hardly believe about this astonishing

film is the cast: Simone Signoret, Gerard Philippe, Dan-ntelle Darrieux, Jean-Louis Barrault, Simone Simon. . . . Every major and minor legend oulnine.

Glan-Maria Volonte, greylocked and wolfish-handsome, nimbly through Schnitzler's
sloughs his usual buman volcano
persona (of The Mattei Affair,
between the sexes, with wry
conversational bandyings about of French acting has stepped off The second thing you can

hardly believe about Lo Ronde is Ophuls' camerawork: its velvet-smooth, delirious windlngs through jugle pathways of Vlennese studio-baroque set-tings. Anton Walbrook, in



Irens Pages as "a superstitious housekeeper" in Christ Stopped at Eboli

the camera glides into the next the camera gines into the next tête-à-tête; purring through glass-tracerised cafés and restaurants, floating into houdoirs and bedrooms awash with drapes and veils. And "outside"—in studio park or garden—trees, trellises, statues and every known rococo gesticu-lation of form hlur gorgeously past the camera in foreground

Whenever . the . mixture menaces us as being too cloying, Ophuls gives a cheerful gash to the robe of illusion. A clapperboard or an arc lamp or a camera slyly pops up into other professions"), the season frame. Or the choric carousel will leave you either exhilarated is allowed to wheeze to a halt or dead. Those of uncertain with a gust of steam, when stamina may opt to take a stab amorous breakdown occurs with a young man's brief bedroom incapacity.

The film is a triumph of wit and a miracle of inventive style purposefully applied. And with prime French thespians flexing every muscle of ironic galonas if breaking fresh from the moustache. opera-cloak and teric, you won't see better per-egg of place and time: the rakish topper, rises up between formances however many stage cloaked and dotty village priest each vignette as our Emcee, revivals you march along to to teric, you won't see better perrevivals you march along to to (Francois Simon) who rides a suavely cranking a fairground mark your card.

carousel and warbling the At the National Film Theatre Rafelson's production designs waltz song theme. Thereafter tha merry month of May is are ditto in Melvin ond Howard entirely overrun by feminism. and Alice Doesn't Live Here "Women Live," a marathon Any More (both May 22). And sitin, speak-in, watch-in, drop-show me a man who claims be in spreads its largesse of films could have directed films-aboutand lectures and seminars women as nuanced and percepacross four weeks and two tive as Two Girls (Sountita audiloriums.

Pegging its subsection pro-

grammes to such consciousnessraising topics as Women Film-makers from the Third World, Ida Lupino and "The Cheapoess of Writing Paper" (" . . . is of course" said Virginia Woolf in 1931, "the reason why women have succeeded as writers before they have succeeded in at selected highlights.

Helma Sanders-Brahm's superh films are commemorated in a special season, May 4 to 9; (see Shirin's Wedding and Germany Pale Mother if you haven't). Women's contributions

ICA

Pergies, Sri Lanka, showing May 20) or Maternale (Giovanna Gagliardo- Italy, showing May 23) and I will show you an MCP imposter.

Just to prove that women are still cherished for their contours more than their concepts in some quarters of Moviedom. the week yields Butterfly. Pia Zadora, an hour-glass nymphet in deepest Death Valley, smirks through this paraplegic version of a James M. Cain story about love and father complexes.
Stacy Keach is her man—all heavy breathing and hairy chest—and Orson Welles, Stuart Whitman and Lois Nettleton look and behave deeply at sea in the supporting cast.

Countryman is helter, if only in the craftsperson echeions of by a mehifiuous earful of reggae movie art are justly celebraled: music. Caribbean islands, black Thelma Schoonmaker's editing dictators, Rastafarian fisherfolk. is one of the major marvels of Silly and overlong, but tuneful Raging Bull (May 31), and Toby jnnufoe C

Lyric

### Summit Conference

Mr MscDonald develops the

respective regimes while, in a

stunning second act switch, the officer (beautifully played by

The Glasgow Citizens, which under Giles Havergal has been the most individual and exciting theatre in Britain over the last ten years, has suddenly burst excitingly upon a dour and defeatist West End.

defeatist West End.

Robert David MacDonald's wonderful political comedy, first seen four years ago in Glasgow, could not be more welcome. The particular triumph of this occasion lies in the casting of two stylish box office draws — Glenda Jackson and Georgins Hale — in a piece that still comes across as an unmistakeable Glasgow product. unmistakeable Glasgow product.

Jackson and Hale play Eva Braun and Clara Petacci, mistresses of Hitler and Mussolini, holed up in a room at the Berlin Chancellery in 1941, shortly before Hitler decides to invade Russia. The two dictators are carving up the world while their ladies discuss their sexual status, Hollywood movies and popular music.

The conspirstorial relation-

Islands, if you like.

The model is clearly Coward's Follen Angels (it is openly acknowledged in a throwaway line, of which there are manyl. Whereas, in Coward, Jane and Whereas, in Coward, Jane and the key speech, delivered in the speech speech and the speech Julia close in on the attractive Frenchman while their busbands are absent on a golfaftermath of a bone-shak explosion and controlled clo of dust falling from the ro-All of these effects are m liog holiday, the fun for Eva and Clars is provided by a tacitum SS guard who is gradually drawn into their cocktail chatter. aged with controlled virtuos The same is true of the leada Jackson plays Eva a flat-vowelled provincial we cinematic fantasies, an idea s ported visually by her chir blueprint to say serious and pertinent things about power dress, cut on the cross, Scarlett O'Hara floppy Hale sports a bottom-bugg lust and nationalistic endeavour. Eva and Clara almost imper-ceptibly become totems of their diamante-studded black co tail number and all but st the show with her sly wigg and high kicks around stage hits of the day. After Steam; it is gratifying to see t actress find a role and a p that makes of her ctipped wh a positive virtue. The parts Gary Oldman takes on the role of persecuted minority. He is the voice of the Falkland

ship of Eva and Clara is sealed

ship is electric. MICHAEL COYEN

Sadler's Wells

### The Grand Duchess

With The Gypsy Princess, and now with a new production (sponsored by the National Westminster Bankl of Offenwestminister Bankl of Oldenhach's Grand Duchess of Gerolstein planned to run regularly until May 8, the Sadler's Wells management bappily persists in its determination to provide a regular management of provide a regular management. supply of operetta in London. The Grand Duchess is a piece of vintage Offenbsch, almost reaching the level-Offenbach's highest—of mirth, anarchy, and musical delight set by Belle Hélène and Orpheus. If the elements of musical parody and social comment in lunatic (and sometimes savagely witty) combination are here less strongly in evidence, the score bursts with good things decked out in madcap profusion, and the satire retains an immediate

topicality now somewhat dis-guised (if by no means lost) in the cod-classical operettas. Almost too immediate, in deed, given the situation of small nations going to futile wars led by General Boum and Baron Puck, and a female ruler whose highest passion is for les militaires; and when, after the overture, Michael Rippon ied a band of Gerolstein soldiers through the auditorium onto the stage and began to address the workable area is squeezed tight Duchess's ineffectual suitandience in mock-bortatory (and in Act 2 props got flourisb (and in a speech not knocked over). Tameness was ably but not drastically; which is more also felt at big moments, which remains, and the way it bach's librettists), one feared the producer Malcolm Fraser given, is sufficient that throughout the evening bad not quite drawn in bold,

of easy parallels broadly drawn.

Mercifully, this does not happen; and the only encouragement to stray thoughts of this didly statuesque Grand Duch kind comes in the gentlest way, and Barry Wordsworth's way from Peter Rice's setting of the musicianly conducting, the sa piece in Euro-Edwardian dress and design — the nonsense of war becomes an allusion appreciable from more than one viewpoint.

This is, Indeed, an attractive kind of Offenbach in English (Geoffcey Dunn's mostly wellconsidered translation), free of the slapstick and end-of-pier farcical coarsenings into which British Offenbachians are often led in their search for a suitable performing atyle. The piece is handily cast and truly sung; by the small orchestrs the Catherine-wheel sparkle of the scoring is briskly set off. All the same, there seemed to hang over much of Wednesday's performance an air of tameness -better than vulgarity, cerlainly-that kept the scabrous suggestions of the plece, lhe inner disturbance that should properly colour one's Offenbach enjoyment, safely under wraps. Something of this resulted from pretty and ingenious sels that cramp the stage—when the cast sways into bouncy routine, the

was a minor casualty.
ln both Ann Howard's spl

slight dispartity between eff and achievenient could sensed. Miss Howard takes stage so handsomely, and timbre of her voice remains individual (rich and sha edged at oncel, that the want the fullest intimations of s sual drives and desires is hi to explain—her best numb "Dites-lui," passes by ligh not captivatingly. The cond tor appears at times to confi fast speed with high comed the Regimental Song is on one of several numbers ti gain from a steadier and me

insinuating tread. I don't want to make much of these criticisms, minor accidents and the m cloudiness that marked Wedn day's porformance are bou lo clear and come right; a there are already enjoyat pieces of business to savoured in pienty from Ram Remedios as Fritz (bls dicti in song shipping swift into unintelligibility). Laure

Livingstone's Ingenue, a especially Tudor Davies as

MAX LOPPE

N :: : : : : \$

### Messiaen by Andrew Clements

through Messiaen's Cofologue d'oiscouz in the Purcell Room with a wurk that stands apart the same raw materials as the earlier sequence; indeed, all of the birdsongs used with the single exception of the call of the Black Kite, are quoted somewhere or other in the 13 pieces. La Fauvette is conceived on the large-scale of the central piece in the Cotalogue,
"Ls Rouserolle effarvatte,"
lasting almost half an hour and built up as a sound picture arnund the clock from dawn to complex pisno writing was nego-dusk. It differs only in one tiated with complete composure, noticeable 'respect: common Yet this composure gave a chords are used frequently, and blandness to some of the music after the orgy of added sixths which was its undoing: the throughout the Catologue the silences in "Merle de roche"

two, one and three pieces respectively. The sequence was a Wheatest and not as Mr Mead's

Philip Mead ended his ramble vivid series of impressions; only programme note claimed, the prouch Messiaen's Cofologue the first piece of the evening. Black-eared Wheatear, which is the Purcell Room "L'Alouette calandrelle" was the "Traquet Stapazin" of the first piece of the evening.
"L'Alouette calandrelle" was less than totally successful, for from the main sequence of its jacole of lark songs is of "Le Courlis" he seemed to pieces, but nevertheless belongs the very much with them. Lo the fault of evolution rather than Messaen's to make a crisp written in 1970, and works upon the control of the fault of evolution rather than Messaen's to make a crisp written in 1970, and works upon the control of the fault of evolution rather than Messaen's to make a crisp than Messaen's transfer to the course to make a crisp than Messaen's transfer to the crisp than Messaen's t natural quality of "Le Merle de roche" with its "cortege of pieces in future recitals. stone phantoms, carrying a dead woman." and the bleak coastal portrait of the final "Le Courlis cendré" must belong among Messiaen's finest works for piano.

To all of thia Mr Mead was a faithful, not so say literal guide. Technical difficulty clearly holds no terrors for him; the most throughout the Catologue the silences in "Merle de roche" and this week's opening night domestic comedy, none of these categories is almost chaste lost their menace and the exwas postponed. Miss Green quite convinces, and the 90 of the Catologue. Mr Mead on plosive agongs of "La Bous-wood, playing opposite Sir minute journey from infancy Wednesday gave the fifth.sixth, carle" were toned down. In the and seventh hooks, consisting of two, one and three pieces res"Le Traquet rieur" (the Black

teresting and exciting per-formances of these fascinating

#### Joan Greenwood for Dame Celia role

Joan Greenwood is to take

Dame Celia died last weekend Ralph Richardson, will give her first preview performance on sively repetitive.

May 7, with the opening night The opening now fixed for May 11.

### Can't Sit Still

Darlings could fiv like birds to an imaginary nursery against Neverland. Today's kids need a heavy back up from guitar, bass, spot of help to give them a lift, drums and keyboard. Chris book twol and the closing pages be it glue, rock, punk, or a short Jordsn's score is initially of "Le Courlis" he seemed to flurry in crime. Pip Simmon's punchy and aggressive and naps the children, while modern rebels set the mood, musically, reces set the mood musically, causes are given perfunctory visually and linguistically with treatment, the characters are unmistakeably contemporary faintly effected. This may be pearls like "it's time to leave the obverse of naturalistic this shit behind." Some of the theatre, but the confusion of pearls get lost under the heavy methods fails to create any application though wife in the confusion of the confus amplification, though noise is of the essence in this angry shout

to adulthood grows progres-The opening offers hopes

which it never fulfills. Hefty

Wendy and the other little adults lumber comically around

illusion and rebellion, but the causes are given perfunctory coherent flavour. Songs provide the backbone and the best of from the young generation these is a well-produced atmos-against its stuffy, authoritarian pheric piece involving the east parents. The young generation these is a well-produced atmos-pheric piece involving the east of six, "Sbort, sharp, shock." over Dame Celia Johnson's role: The Peter Pan parallel is an in The Understanding by intriguing idea, but the venture youth Kevin, doubles as nicely and Huth at the Strand attempts too much and does not as guitarist, and Peter Jonfield is a powerful and menacing attempts too much and noes nothing very well. Social comiss a powerful and menacing ment, rock opera, fairy tale, delinquent. Pip Simmons' delinquent detail bot none attention to detail, bot none

raw material.

#### Coliseum

### Evelyne Desutter

Festival Ballet opened a Opera and of Vyrubova and lyrical light in texture, nobit spring season this wek with Chauvre: one cannot ask for not to be missed.

Nureyev's version of The Sleep more), she brings to Aurora a In Jay Jolley we have a Fig. with their muled glow of silver and gold; Nureyev's respect for the ballet's essential conflict of good and evil and his feeling cal response with which she for noble behaviour—goes side united choreography and score, and of tireless resource in de by side with the unimagina. At times the dance appears ing with the litter of variation tively tiresome, which means to float gently above the stage the emendations and perver—how different from our Eng-huige at the seams. There sions of the Petipa text. It lish Auroras who sink into the siocerity and eagerness in sions of the Petipa text. It demands, and received on Wednesday, two sdmirable central performances in the interpretations of Aurora and Florimund performances and Florimund performances are performed by the interpretations of Aurora and Florimund performances are performed by the interpretations of Aurora and Florimund performances in the interpretation of Aurora and a club performances in the interpretation of Aurora and Florimund performances in the interpretation of Aurora and a club performances in the interpretation of Aurora and a club performances in the interpretation of Aurora and a club performances in the interpretation of Aurora and a club performances in the interpretation of Aurora and a club performances in the interpretation of Aurora and Florimund performances in the interpre Jolley.
Mle Desutter is an exquisita

of this can compensate for a dancer, in technique and style. Fundsmental lack of anything with her heautiful, fine-drawn very original or exciting in the physique, and the tremendous resources given by her French schooling (she is a pupil of the

ing Beauty. It is s production sense of gentle aristocracy mund able to accept the p in which the imaginatively fice which warms, as the ballet's fuse and exhibitionistic cap —the sense of s real court imaction progresses, into radiant which Nureyev has set in table plicit in Georgiadis' designs authority. Very lovely her Vision Scene, and make son lightness, the quick sweep of thing bonest and elegant limb, a certain gravity of them, as he does of the ridemeanour, and the vivid musi- itself. He is a Prince of direction of the control of the cont

> every moment the character is understood, technically and dramatically: not since Chauvire's amazing debut with the Royal Bood the score is allowed breathc, and despite some craft unpleasing transpositic Ballet have I seen an Aurora so hreathc, and despite some cusweetly coquettish in the first-act variation, and so enchant-of numbers, its grandeur ing. It is a beautiful. lustrous never minimised, and distinctive interpretation;

which make the second

CLEMENT CRI

#### **THEATRES**

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9 Aloof in manner owing to sea-food (6)
10 Learn about article from hide (8)
12 Insult embracing French
article involving English
port (8)
13 Game to complain about (6)

15 Unusual cure for an off-white colour (4) 16 A source of great heat from vessel in front (7)
20 Dissolute person getting away with illicit pecuniary share (4-3)

snare (4-3)
21 Commotion in prison the prisoners say (4)
25 A mark qualified by bowling and popping (6)
26 Instructed to follow in an exploit (8) 28 A soldier to manoeuvre (8)

29 Game on board making explosive sound (6) 30 Written composition or article to sit back with in a 31 Bean feast I left (6) DOWN

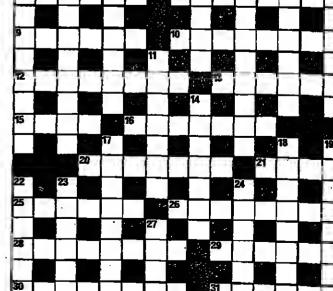
2 Concerning excellent railway and wherefrom it may get its fuel (8) 3 Biblical cony or fool in

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be grave or acuta (6)

Make a note of likewise (4)

Measure an association (6) 6 Performance by a conjurer— 24 Father taking part in word three times? (3,5) of honour (6)



7 A means of access to a 27 Whera troops eat a dish meeting-place (6) 8 Keep back the last in Scotland (6)

11 Yelled out in outhouse (7) 14 One who smells a light extinguisher (7) 17 Fish I catch in a basket (8) 1 Perform or walk for a thick 18 Resolute person from last slice of bread (8) war starts training (8)

19 Goad one northern girl for squandering (8) 22 Manner of speaking that may be grave or acuta (6)

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### FINANCIALTIMES

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Friday April 30 1982

# A Japanese door opens

Tecoming harder to perform. generally regarded as the most crime real growth rate of GNP in serious non-tariff barrier. the 1960s was 11 per cent a ear. In 1970-81 it was down dayers of the Economic Planning legency (EPA) of the Japanese levernment are forecasting 4 aper cent for the rest of the hientury.

By thestandards of the older that is andustrialised countries and line. fedut it no longer is sky high. tithe EPA document has yet to Que published, so we do not know Ownere the main sources of Ownowth are expected to lie. But would be surprising were they said to be in tha areas of ladvanced technology and of except markets.

ra de The rest of the industrialised world must be prepared for a continuing onslaught from its papanese competitors. The experience is bound to be painful, but need not be disastrous, prorided the challenge to match Japanese efficiency is picked up.

#### Appreciation

As we have often argued, pro-tectionism is not the road to Ethat objective. Even the infrequent restraint agreements entered into by Japanese exporters ought to be no more than temporary stnp gaps to meet acute

As bas long been recognised, part of the answer-but only a part of it-lies in a more generous opening of Japanese markets to imported goods. The authorities in Tokyo themselves have shown some appreciation of that fact. They have cast ahout for means of import promotion, though it has never been easy to know how much value to attach to these efforts and promises.

It is therefore wise to look sceptically at this week's pro-Japanese Federation of Econoliberal attitude to imports.
Officials of that powerful hody themselves appear to harbour some doubts as to how readily the Government will fall in with their plans. They also said

charge if necessary.

If the Keidanren, nr rather its individual members, really do mean business, the signifi-cance of the proposals extends beyond such measures. Nothing could advance the cause of exporters to Japan more than increased willingness of Japanese industry and its big trading companies to look more favourably upon foreign pro-

Japan is coming up against the fact that trade cannot be a one way street. A bankrupt customer ceases to be a customer. That realisation seems to be spreading in Japan.

#### Improbable

But far deeper influences may be at work. It would be against all the lessons of history to assume that the Japanese "miracle"—if miracle It be— must go on forever. Consensus and company loyalty are far more deeply embedded in Japanese society than in any American or European society. But it seems intrinsically improbable that Japan will for-ever remain immune to the forces that industrialisation has released elsewhere.

That need not take the form of worsening labour relations But unless one assumes that peoples have unchanging national characteristics, pressures will increase in Japan, as elsewbere, for more leisure and for rising private consumption. Once consumers demand greater share in the national cake there has to be an impact upon the savings quota, which is extremely high in Japan; on imports; on exports; or on all

#### Proficiency

The increasing inclination of Japanese industry to transfer posals from the Keidanren, the some of its production into the newly industrialised countries mic Organisations, for a more of Asia may signify that the process has already gone fur-ther than is immediately apparent from Japanese trade surpluses. Yet it would he foolish to bank on it in anything but the very long run. If that they would return to the Europe and America cannot harge if necessary. pull themselves together to The Keidanren proposals are match Japanese Industrial profor phasing out what is left of ficiency, they will continue to were putting in annually around Last year home production was the import quota system, and suffer defeats in world markets 2,150 hours last year. At Volksonly 1.4m vehicles compared for some lowering of tariffs, and may not even be able to wagen the number of hours to 1.7m a year in the early More important the Keidauren take advantage of a more liberal called for a simplification of the Japanese import regime, once

### **Prescription for** electronics

THE NOTION of a positive based sectoral aid schemes industrial policy, involving selective government support for specific industries, products and companies, is still very much alive in the UK. It is based on the belief that such policies have been successfully used hy other countries, notably France and Japan, in improve industrial performance. The National Economic Deveiopment Office is a strong advocate of these ideas, which form the central theme io a report just issued by the Economic Development Committee for the electronics industry.

The report argues that UK manufacturers, unlike the Japanese, have "failed to exploil the advanages of volume production through the achievement of significant shares of world markets." The industry is spread too thinly over too wide a range of technologies and products; the report recommends a concentration of resources on selected business areas, including information technology systems and related high-volume products.

As a stimulus to thinking and planning within companies, the report should serve a useful purpose. As a prescription, it is rather more questionable. The aim set out in the document is to develop a planning system in which industry (including trade unions) government can work together to build up the international competitive position of British electronics companies. The guiding principle is selectivity — to harness the efforts of public and private sectors behind selected companies and

#### **Priority**

Public procurement, for example, should be used to surport "specific products and technologies which both government and industry consider to be of strategic importance." should be brought under more unified control; priority should markets in the light of the know whether the Government firsts' past record." Broad-supports the EDC'a proposals.

under the Industry Acts are in-appropriate "because of the even-handed application of the should be identified and future government assistance schemes should take the form of individual project funds. The stress on selectivity

extends to inward investment. Assistance to potential foreign investors should be directed towards filling gaps in the country's product range, in return for "specific and bioding agreements relating to component content and

#### **Prospects**

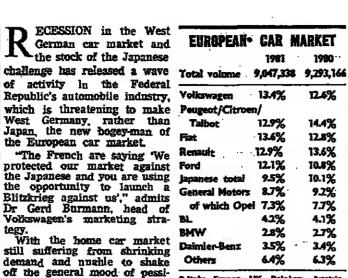
Like so much discussion nf industrial policy, the report relies too heavily on misleading comparisons with foreign countries and fails to draw the right lessons from the UK's past experience. There is no evidence that tripartite official committees are better placed than individual companies to select products and technologies with the hest growth prospects. The record of agencles such as the Industrial Reorganisation Corporation and the National Enterprise Board does not inspire much confidence ln a policy of selective intervention. Even in France, where the goveromeot-industry "interface" is well-established, the results of sectoral planning and intervention selective patchy at best.

Our strong preference is for general, rather than discriminatory, policies to encourage research, innovation and entre-preneurial effort; in electronics, especially, there are ample opportunities for small, dynamic companies of which there are some eocouraging examples in the UK and which are unlikely to emerge as a result of sectoral planning. Yet the philosophy underlying the EDC report has wide support-in parts of industry, among civil servants and even among ministers. Because Government support for this approach sits uneasily with research and development the Government's belief in this approach sits uneasily with market forces, policy towards industry tends to be a mixture be given to " firms where R and of the selective and the general D funds are most likely to be thus ensuring the worst of both fully exploited in international worlds. It would be useful to

WEST GERMANY'S CAR INDUSTRY

# The scramble to catch Japan

By Kevin Done in Frankfurt



relative weakness of the D-Mark, has already set some German motor industry leaders thinking about the need for voluntary restraint so as not to sour rela-tions with such potentially touchy neighbours as France Equally, campaigns in Italy

encouraging consumers to "Buy Italian" are monitored with some nervousness at the headquarters of the West German Motor Industry Federation. While much attention in recent years has focused on non-tariff trade harriers against car imports into the Japanese domestic The success of the export market, the West German motor to concentrate the mind. ing is expected to rise to drive over the last 18 months, industry argues that the French helped at the beginning by the and Italians are past masters at vert, Ford-Werke's French chief DM 7.2bn in 1981, DM 6.2bn in

introducing such hurdles to stifle imports when necessary. West German car makers have been forced to boost their competitivenes and fight for a bigger share of foreign car markets partly by the abrupt ending of a five year boom in car demand in the Federal Republic and partly by the suddenness of the Japanese onslaught on the West

German market.

German automobile producers were already in the process of gearing up investments to pro-duce the models needed in the duction and to develop new wake of two oil crises, but the model ranges appears to be Japanese arival in force heiped

executive, the European motor industry started off after the first oil crisis in 1974 like a longstructure the industry by 1984. The arrival of the Japanese, still sh, in the race in 1978 turned the final stages into a sprint finish over hurdles.

For the moment at least German competitors appear to have gained their second wind. The sector's ambitious capital investment programme to modernise and streamline propaying dividends. Capital spend1980 and DM 5bn in 1979. helped to beat back the Japanese in European markets by some external factors—chief among them the appreciation of the Japanese Yen against the D-Mark, which forced Japanese exporters to implement befty price increases in late 1980 and early 1981, undercatting their sales arguments about offering

more car for less money. But the German car industry has also reacted swiftly to the Japanese success in offering better equipped basic models. In mid-1981, for instance, Volkswagen added equipment worth DM 1100 to the Golf, while only

In the first three months this year the Japanese share of West German new rar registra-tions dropped to just 3 per cent compared with 10.4 per cent in the same period last year.

The fight-back has not been achieved without cost. The profitability of the German motor industry has plummetted as the twin forces of Japanese competition and recession have begun to bite. Opel has run up loses of around DM 1bn in just two years, Ford had lases of DM 463m in 1980 and the Volkswagen group dropped into loss

wagen group dropped into loss for part of last year.

As Ferdinand Schwenger.

Opel board member for finance, admits ruefully, "Our cars have to be sold so cheaply, or else we would not be competitive in the

Opel, like other German manufacturers, is laying great store on boosting exports this year to other West European

In the three major European volume markets of France, Italy and the UK, German car pro-ducers boosted sales by more than 100,000 units last year with growing market shares. The success was not confined however, to markets which are protected by limits on Japanese

The German drive is unlikely to falter in the near future, with a number of important new models due to be launched in the next 18 months. A strong appreciation by the D-mark could hit export efforts, but manufacturers are currently increasing sales, despite prices

### Volkswagen and the parable of the fat runner

'IN TERMS of manufacturing techniques Volkswagen compares with the average of Japanese industry. We are better than the worst and in three to four years we will be as good as the est. They are no longer building new plants and we are coming with our big investments." Günther Hartwich, for nearly

mism that is dogging the domes-tic economy, German car makers have launched an export

offensive which allowed them to

raise car production by no less than 17 per cent in the first

three months of this year-des-

pite a drop of 7.3 per cent in

domestic new car registrations. Exports jumped 25 per cent in

The success of the German export drive is put into some perspective when the industry

is compared with its major

rivals. In 1981, a year when most major car markets were

suffering from depressed demand, German vehicle pro-duction managed a tiny rise

while French output dropped by 11 per cent, Italian by 9 per cent, British by 12 per cent and

U.S. by 1 per cent.

ten years the Volkswagen director responsible for production, is under no illusions that the West German car industry will ever match the economy of Japanese production, "If I have the same machines making the same parts my costs will always be higher than the Japanese."

West German workers work shorter hours and cost more to employ. According to VW figures, Japanese car workers worked dropped in 1981 to I.523 from 1,603 the previous year. The additional social costs pald by VW per worker were equival-ent to 100 per cent of the direct wage. In Japan extra social costs added only 40 per cent to the wage bill.

capital investment we must achieve a higher level of mechmisation than the Japanese."

The basis of Herr Hartwich's optimism lles in the massive DM 13bn worldwide investment programme Volkswagen is pushing through in the three years 1981-83 in new property, plant and equipment.

Investments by Volkswagen in renewing its power-base in the Federal Republic are running at around DM 2.2-2.5bn a year, of which some 80 per cent is accounted for by capital investment. The demands of re-tooling for new model programmes account for about 40 per cent of this spending, with 20 per cent going to plant modernisation and 20 per cent for equipment replacement and rationalisation.

The major item missing from the list is spending on the expansion of domestic capacity. Volkswagen is clearly resigned to the fact that major leaps forward will only he made abroad. Foreign-based production almost doubled from 520,000 in 1972 to 1.Im in 1980. But VW is having to invest beavily at home.

— was carried out in the first half of the 1970s as Volkswagen faced the trauma of transform- and final assembly.



lng itself from being virtually a single-product company—the rear engine, aircooled "Beetle" -to a car group offering a complex range of front-wheel drive models with transverse-mounted engines.

"We must compensate the big investment push in the first water of the big investment push in the first which where water and and in the first which where water and all the first which compensate the production of assemblies — up is in universal production areas, which do not change with new models: the press shops, new models: the press shops, body shell assembly, paintshops



Volkswagen Board

"Through capital investment we must the Japanese."

30 per cent, with considerable increases in efficiency.

efficiency VW has been improv- an extra 16 minutes paid rest

this to around 5 per cent a year. Even with such technical

Gunther Hartwich, ember for Production:

achiève a higher level of mechanisation than

been spendiog DM 350m on moderoising the press shops at its main works at Wolfsburg, the VW company town. By 1985 the average age of the presses will bave been reduced to 10 years and the number of machines will have been cut hy

gains, however, Herr Hartwich admits that VW has slipped hack in overall productivity. each car produced-more man-

hours are needed per unit, even though the extra quality is re-flected in higher prices—and by concessions made to the labour force in improved working working lerms and conditions, Changes in the press shops in Wolfsburg should bring a

vell anead with the r of robots as part of the push Since 1978 Volkswagen has for greater automation. Some the end of 1982 and the total should rise to at least 2,000 by the end of the 1980s.

Such investments clearly save jobs, but labour agreements wrung out of VW by IG Metall, the car workers union, have offset these gains. A new wage agreement introduced in stages
In terms of manufacturing up to September last year added

ing its technical productivity time to the existing 48 minutes annually by about 3-3.5 per cent per eight-hour shift. Less hours in recent years, but the current has meant more jobs, with VW ambitious investment pro-cramme is supposed to boost workers in Wolfsburg alone, this to around 5 per cent a year. The chief gai infor VW in its

growing antomation is not direct labour-saving, but the huge increase in manufacturing flexihility offered by modern tech-The technical gains have been miques of robots and computer more than eaten up by the control. "Beetle" production increase in the complexity of was highly mechanised—98 percent of spot welding was automatic-but totally inflexible and needed very high volumes with daily production of at least

Today automation is attractive for an output of only 500-1,200 units a day and robots can be re-programmed for other reduction of 500 in the 1,500 duties rather than being workforce. In other parts of the manufacturing process VW is Herr Hartwich sees the runner, with a timetable for slimming, pursuing a thin one. "The fat runner can shed 10 pounds easily just hy not eating. but the thin one might hardly be able to run if he loses that much weight."

The question still to be answered is whether the shock of realising how fast the Japanese can run will be enough to make the German competitur a disciplined and permanent weight-watcher.

### Men & Matters

#### Holiday pay

Being with the Task Force in the stormy South Atlantic is no holiday. But many hundreds of men on board are anxious about the summer holidays they booked in good faith before sailing, and which must now be considered in jeopardy.

Travel agents in the naval bases of Portsmouth and Plymouth, and the various military centres, are handling a stream of Inquiries from anxious wives and dependents of men who paid deposits on package bolidays.

Most of them are being readily reimbursed by holiday companies and travel sgents anxious to show goodwill even if a little commission has to fall by the wayside.
But Thomson Holidays, one nf the biggest tour operators, is

referring difficult cases to the Ministry of Defence. An nfficial of Thomsons tells me that holidaymakers who



topk out insurance through mass production and it was Thomson's own insurers. Nor-wound up in 1910. Union, will get their money back even though strictly speaking going off to war ia not one of the risks covered by the

However, those who booked holidays with Thomson hut did not avail themselves of Norwich Union cover are being advised to claim from the Ministry of I telephoned the Ministry.

"Well yes," said a helpful Captain, "a scheme to reimburse personnel for cancelled holidays was devised about a year ago. But we are not quite sure how it will work." The Ministry is debating

whether to repay holiday deposits, or take a gamble that the Faiklands engagement will be a short, sharp affair which will get the tads home in time to enjoy those Mediterranean

#### Watch out

When tima not only marches un but passes you by, the consequences can sometimes be disastrous. Especially if you are in the time business itself. So it was for the British watch and clock industry which was all but wiped ont by cheap, reliable, mass-produced miports from Switzerland at the turn of the century.

There is a lesson to be learned by other industries flected them all loo wellfrom this story, so the opening of a clock and watch museum in Prescot, Merseyside, by Professor A. J. P. Taylor yesterday could well be described as

profitably as one of the world's man's joh 16 months ago. For principal centres for watch and years. Schmidt said he had clock components. A local invention for making cogs kept advice as well as his regular hundreds of little workshops articles in Die Zeit, one of Gerbusy for 200 years until cheap many's leading newspapers. imports created a new mass market. Though the workshops then got together to form the learned from the otherwise

Museum curator Knowles says there are still nonagenarians , around who worked at the factory and recall with a sbudder the quality of its five-bob product, the John Bull. The Swiss apparently avoided such problems by train-ing people from scratch for watch factories and letting their workshops, with their disdainful craftsmen,

wither away.
The moral is obvious. any negotiators of new technology agreements wanting to make the point to their work-forces will find the museum, boused in a restored 18th Century town house, a bit cramped for coach parties.

#### Beck and call

"In a telavision democracy." sald West German Chancellor Helmut Schmidt, "every politician appears as he really is in the loog run." Government pub-lic relations, he added back in 1974, could not compensate for policy fallings and party bickering. The quotes were recalled with

some irony in Boon this week as Schmidt dropped his govero-ment spokesman Kurt Becker for failing, it is said, to reflect clearly enough the merits of his political masters. The truth is that Becker re-

Schmidi's Left-Liberal coalition looks increasingly shaky and the Chancellor's own popularity is sinking fast, Though not a memher of the mely. Social Democrats (SPD), Becker Prescot once ticked along was pressed to take the spokes-

valued Becker's independent

The two men were ever said to be real friends—until Becker Lancashire Watch Company, the allegedly ill-informed Press the craftsmen never adjusted to news of his own dismissal.

#### Bank guard

Robin Hutton, the new director general of the Accepting Houses Committee, belongs to the small band of bankers that has flitted back and forth between the City and public office.

He first came Into view in 1970 when he left Hambros Bank to join the Heath Government as a special adviser. His baptism of fire was gained during the bankruptcy of Rolls-Royce, an affair in which neither the City nor the Government particularly distinguished themselves. In 1973, Hutton was whisked

away to the European Commis-sion where he became director of financial institutions. During the five years he spent in Brussels before returning to the City as a director of S. G. Warburg, ha is credited with bringing some flexibility into the more rigid pieces of EEC banking

His expertise in European financial politics is one of the reasons he is now being recruited to run the trade asso-ciating for the City's top merchant banks. They have always prided themselves on being the guardians of the City's selfregulatory methods which are

now under attack Huttoo will have his work cut out to preserve the status quo.

#### Danger man

One go-shead City money man is wondering where his career has gone wrong. He was headhunted recently and spent time being interviewed for a joh with a big unit trust group, heading the management of a pension fund. Sounded a great opportunity and our young thruster presented himself with all the vigour he could muster.

The pension fund gave to reasons for turning him down: "too aggressive" and "too perform-

**Observer** 



ALFRED THE PRESIDING BARMAN AT ONDON'S CALEDONIAN CLUB is usually surrounded by ex-patriate Scotsmen who have formed their own ideas on their favourite Scotch whisky.

But he well remembers one occasion when a visiting Texan asked him for a glass of the best whisky in the house. Alfred pursed his lips and moved along his bottles like an alchemist seeking the Philosopher's Stone Finally he stopped, extracted a bottle full of a deep amber-gold elixir and poured a generous

measure for the fortunate American. "There it is." be said. "A 15-year old Macallan malt. I doubt ye'll find better."
"Waal, thank you very much," said the American. "And I'll have an American Dry Ginger to go with it." To say that Alfred blenched is a grotesque under-

statement. He reeled (in the English sense) But when he had finally recovered, he took the glass from the astonished visitor's hand, poured him an ordinary blend and sloshed in the offending effervescence.

"There y'are," he said. "Y may as well have that one. I'll no be a party to defacing historic monuments." THE MACALLAN THE MALT

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LATIN AMERICA AND THE FALKLANDS

# Bankers freeze in their tracks

By Peter Montagnon, Euromarkets Correspondent

IT COULD be said with justice that international banks have nothing to lose in the Falkland Islands. They are, according to the Bank for International Settlements, one of the only two
"countries" in Latin America
which have no commercial bank borrowings at all.

But this small fact is cold comfort to the hard pressed banking community as the pros-pect of military action on the islands themselves seems to

In the backlash of the Argentine selzure of the Falkland Islands on April 2 alarm and despondency has been spread-ing through finance ministrics and hanks in most of Latin America. Medium term bank lending on which the continent heavily depends has all but dried up and the daily routine of bankers whose job is to supervise some \$170bn in South American loans has taken on an almost nightmarish quality. One of the deepest fears of

the eurocredit market has always been payments difficul-ties by a really large borrower country. Argentina, whose total foreign debt is about \$32bn, is just such a borrower and its financial isolation following the Falklands crisis means that its ability to go on servicing this debt may now be very limited indeed.

#### A loss of confidence greater than over Eastern Europe

Like a rabbit eaught eaught in the headlamps of an oncoming car, the credit market has frozen dead in its tracks and as they wait for the next twist in the story some bankers are be-whole of Latin America with ginning to wonder whether one brush," says one, "but the things will ever be the same closer you get to Argentina the

This is not just a question of the immediate impact of the Argentina, has become a no-go UK's decision to freeze Argenarea just at a time when it is in tine assets in London. The very fact that Argentina chose to move on the Falklands at all has reopened the debate on its medium term economic and

political future.



ments. In a similar way other countries in Latin America. especially those close to Argentina like Chile and Uruguay have been placed under fresh

At the very least, the Falklands crisis seems likely to add to the serious financial squeeze on Latin America. At worst it could conceivably engender a loss of confidence in the banking system far greater than has already occurred in Eastern Europe. Eastern Europe's debts to banks—at some \$60bn—are less than balf those of Latin

International banks have never been particularly confi-dent of their ability to gauge political risks and a key issue now is whether other Latin American nations may be sucked into the conflict

Bankers who travel the region understand that there are distinct economic differences betweeo the various countries they visit, but they also admit that it is very bard to convince senior management at home "It would wrong to tar the

more difficult things become." Even Chile, which opposes the grip of a deep recession. Some bankers also concede that the Falklands crisis has

given them an excellent excuse to cut back on new lending to Latin America at a time when Even bankers from countries they were in any case becoming not involved in the conflict do worried about economic strains not like what they see, and in several major borrowing their lammediate reaction has countries.

In this climate there is little not nearly enough to maintain enthusiasm for a new loan pro-posal by Venezuela to be region's rising population. discussed with international The search for high growth banks at a meeting in Caracas today.

Venezuela and British banks will not be attending the meeting. While Venczuelan officials claim to bave invited two of them, no British clearing bank will Settlements.
admit officially to having been Now they find themselves asked and an atmosphere of

rates to offset this rise in population is an important reason for the rapid increase in their declared its support for Argen-tina in the Falklands dispute September 1981 their gross bor-September 1981 their gross borrowings from international banks increased by more than \$80bo to \$168bn according to the Bank for International

with a gigantic interest rate distinct chill has been growing. hurden—2 I per cent swing to The upshot for all these U.S. interest rates makes a

GDP AND CURRENT ACCOUNT

				Curre	nt account b	alance
	GDP-	Real % in	creases		(USSm)	
	1979	1980	1981	1979	1980	1981
Argentina	10.5	-1.0	-6.5	572	4,855	-3,824
Brazil	6.7	7.9	-35	<b>— 10,497</b>	-12,180	-10,600
Chile	8.5	6.5	6.0	-1,189	-1,971	-4,800
Equidor	5.8	4.8	4.6	-4,551	-6,596	-11,704
Mexico	8.0	7,4	8.1	- 585	-770	- 1,050
Peru	3.8	3.1	3.9	619	117	-1,561
Venezuela	0.9	-1.2	6.3	350	4,241	2,821
				Source: Fi	and banker	2' estimete.
	_					

increased reliance on volatile short-term borrowings. This will make their debt -barder to manage as they become increas. payments have deteriorated ingly vulnerable to sudden As a result their balance of financial sbocks.

may also contract, forcing further defiallon on countries already labouring under the world recession.

The Inter-American Develop-

ment Bank calculates that economic growth rates in Latin America as a whole slipped to 1 per cent last year, the worst performance in 20 years and

countries is likely to be difference to the balance of payments of the two largest borcowers, Mexico and Brazil, of more than \$400m.

As a result their balance of rapidly. Last year, according control. In absolute terms lending to the Inter-American Development Bank, Latin American countries ran a combined cur-rent account payments deficit of \$34bn compared with only \$27.4bn in 1980.

This year, says the bank's president. Sr Antonio Ortiz problems will remain even after Mena, there is little prospect the Falklands dispute is even-of relief as the recession in developed countries limits the mates of its borrowing needs

it struggles to cope with soaring inflation, a declining oil price and a very weak currency.

Put in context these estimates mean that Mexico could

this year range up to \$30bn as

need to borrow more in a single year than the whole outstanding debt of Poland. Mexican offi-cials insist that the actual total will be lower at around \$20bn but there are already signs that a desperate quest for cash has

begun. Few bankers are prepared to predict what could happen if the Falklands crisis drags on. In Britain the largest exposure to Argentina and Latin America in geoeral has probably been notched up by Lloyds Bank, but what is clear is that the brunt of any serious banking prob-lems would fall on U.S. banks. Federal Reserve Board figures show that last November

U.S. bank loans to Latin America and the Caribbean were resolved quickly by diplo-matic means, it could still be totalled \$112.9bn, \$20bn more than at the end of 1980. September or October before normal husiness resumes—and At the end of last year Citi-bank's rotal assets in the Caribbeao, Central and South But this is not to say that all America totalled \$18.19bn. This

compares with \$8.6bn at Manufacturers Hanover. Western bemisphere lending outside the U.S. by Morgan Guaranty totalled \$6.5bn at the

Still too small

Colombia, too, whose net debt is very low, is also able to borrow on terms not much stiffer than those paid by industrial nations,

ability of Latin America to

that's very late in the year,"

is entirely bleak. A handful of

countries have retained their

ability to borrow medium term

money despite the Falklands

These include Panama, which

despite its support for Argen-

ting bas some leverage over the

international banks to which it

plays bost as an offshore centre.

Moreover Brazil also seems to

have escaped the financial quarantine now being imposed

on other countries. Its latest loan, for the state oil concern

Brazil has, however, also earned the respect of the inter-national banking community by

its determination to eschew

the fact that they were pre-

pared to induce a domestic re-

\$350m from £300m.

service bills.

says one.

export enough to pay its debt

"Even if the Falklands crisis

a threat

end of last year. The comparable figure for Chase Manhattan was \$13.2bn and for Bankers Petrobras, is being increased to Trust \$4.36n.

One school of thought in the international banking community maintains that even lending on this scale is still too small to pose a threat to the banks concerned. The banking short term borrowing and bring its balance of payments under control. "We are honouring system is still far more vulnerable to a crisis of confidence emanating from the foreign exchange and money markels.

But international lending is

cession last year in pursuit of financial stability," says one also a matter of confidence, banker.
But bankers are much less other bankers argue and, with figures as large as this, maintaining confidence will be an nobill struggle if things do go sanguine about Mexico whose badly wrong in Latin America. Politics Today will appear on Saturday.

### Lombard

### Alliance squeezed by the Falklands

By Peter Riddell

lands crisis has been to raise being "the thinking part of the doubts about the immediate population as opposed to those prospects of the SDP/Liberal prospects of the SDP/Liberal of traditionalism." To many Alliance. A month ago the these people, the "concerned Alliance had just won the Hill-middle classes, the passions o head by-election and was ready the Falklands affair must seen to launch a major drive in its alien. first nationwide test at the local elections on May 6. But now its standing is slipping with

aspirations, have been pushed off the front page by the Falklands. The SDP, in particular, has depended for its electoral success in the last year on a high public profile which has made it appear as a plausible alternative to Labour and the Tories. This has been a circular process in which medla attention

each new opinion poll.

robbed of this attention. Discussion of the Falklands has been concentrated on the Government and the main opposition party. This is partly because House of Commons

has helped to generate success.

But the Alliance has now been

procedure at present works against minority parties.

#### Avenger

Mrs Thatcher bas also been able to raise the Union Jack as the avenger of the initial humiliation. Similarly, Mr Micbael Foot and Mr Denis Healey have capitalised oo their strengths of oratory and experience in uniting the Labour Party, apart from a small gcoup around Mr Benn, on a dispule which is ideally sulted to distract attention from internal discootents.

The Falklands issue is ln many ways the wrong one for the Alliance to seize the public imagination, whatever the merits of its views. This is indicates that a sizeable part of despite the effective interventions of Dr David Owen, who potentially "soft" and that the has considerably enhanced his reputation at Westminster. As Mr Raphael Samuel points nut It is to become a major thire In the last and current issues party.

ONE OF the most striking of New Society, the SDP domestic results of the Falk, members pride themselves of who obey the atavistic appeal

#### Crucial

It is impossible to tell wba In part, the problem is that impact the crisis will have of the Alliance, its activities and the elections next Thursday The polls point to a steady fal in the Alliance's position, down to 27 per cent from 31 per cen a fortnight ago, according to MORI, with the Conservative, rising from 33 to 40 per cent These figures are crucial sinc the Alliance needs to get well over 30 per cent if it is to win seats on a large scale. Some analysts question the value o some recent polls which include other questions on the crisis They suggest that such inter views favour the Tories.

> The public mood appears to be highly volatile and Tor-support could plummet if thi expedition is regarded as failure. Experienced canvasser also report an unusually large number of "don't knows." Somi SDP leaders expect patch; results, depending on local cam paigning and the extent in which Labour councils bave swung left.

> It would be wrong exaggerate the importance next week's elections. Any squeeze oo the Alliance'; support could be temporary. After all, Labour's division: could soon re-emerge with the report on the Militant Tendenc coming soon and Mr Bol Mellish's expected resignation as an MP threatening a bitter row. The Tory position is highly dependent on the oulcome of the crisis.

Whatever happens, the crisi SDP needs to define itself more clearly and, broaden its base it

### Letters to the Editor

### The banks and international lending policies

From Mr J. Whitley
Sir,-Mr T. Clarke (April 23)

puts a view of international banking which is by no means banking which is by no means the need to pay high real uncommon. While not wishing interest rates on debt contracted to characterise banks as para- at floating, and not fixed, rates gons of virtue, the following observations may improve to some extent Mr Clarke's rather jaundiced view of the banker's world and the international debt

Prior to the early 1970s balance of payments surpluses and deficits were largely financed by flows of official aid and direct investment. With the advent of the first oil shock in 1973-74, the banks stepped into the breach and recycled the very large surpluses now accruing to the oil producers (Opec) to the deficit coontries, which needed to finance their iocreased oil import bills. This did not mean that deflationary pressures were wholly avoided, hut undoubtedly even greater defiation would have been necessary had the international banking system not responded flexibly to the new challenge. It has been alleged by the Bank for International Settlements, for example, that "instances have occurred in the past where banks clearly over-lent to certain countries whose payments deficits were obviously unsustainable." It is, of course, casy to be wise with hindsight. If banks have been unwise, so too have governments who lend nften for political rather than ceonomic reasons—and some-times attempt to pressurise the banks to lend on these political

Was the design by Mies van der Rohe?

From Mr John Horris
Sir.—Messrs Rogers, Foster
and Stirling have defended
(April 22) Mies van der Rolie's
design for the Mansion House

tower, and in so doing evoke qualities of timelessness and Hellenism for what they believe

will be a masterpiece in the sense of elevating the spirit. They are deluded, Sir, for in this matter of tower blocks

there is only one masterpiece

by Mics, namely his Seagram hullding of 1957. Just as there can be no two Parthenous, so

there is only one Seagram. The

Parthenon is in Athens, the Scagram in New York, Neither

has had to be transported to

London to act as lode-stones.

The Mansion House lower will out con be what it is: an inferior catinns.

concerned cannot service that debt. If, for example, it bits cash flow problems—which msy be increasingly likely due to the increasing t —a rescheduling agreement is normally worked out, whereby the debt is paid but later than anticipated. Perhaps more serious is the possibility that a country may take a deliberate political decision to default on its debt in preference to pay-ing it back. This, however, bas not yet been experienced by the hanks and the loan loss record on international lending has been better than a domes-

tic lending. A bank will not lend to a customer unless it believes the loan will be repaid and they are improving constantly their systems for assessing whether and how much to lend to whom. Banks are, however, in the business of taking risk in order to make a peofit (just as share-holders are when they buy an equity stake in any company)-risk which, in the ear-lier part of this century and previously, was borne by un-suspecting individuals who took up bonded debt. Banks may not always correctly assess conorry risk, but they are much better equipped to try than private

This is not to say that many criticisms of the banks are invalid. It is vital that banks continue to assess and improve their operations; other types of financing should be fully explored. But borrowers also banks to lend on these pointical criteria. But borrowers also of competitive in codertake obligations and of competitive in responsibilities. A defaulling control Technol control Technol by inflation—is not a problem unless the country long time if ever, and debt has

master. To my simplistic mind this implies actual drawings by

Mies, and not by assistants in his office. As not a single

original drawing has ever been

seen, neither at the Royal Exchange in 1968 nor at the

RIBA this year, I am beginning to wonder if the claim is

16 Limersion Street, SW10.

From Mr S. Penwill.
Sir.—Mr J. Hood (April 22)
raises the hoary old problem

of directors' qualification with-

out considering fully the impli-

Directors' equity

spurious.

interests

Sevenoaks, Kent.

#### Floating charges

From the Monoging Director, Control Technology

Sir,-I would like to continue the debate on bank lending policy with a specific example of discriminatory practice. As a small company wishing to purchase the freebold of our premises via our bankers, they insisted not only upon a floating charge over the company's assets including the property deeds, but also upon the personal guarantees of the sonal guarantees of the directors. For this "service," where incidentally asset cover provided by the company is approximately 3:1, the bank charges 21 per cent above base

Contesting this rate in relation to the facility offered to private individuals. I received the following reply from our bank: "I understand your concern that our bome loan rate for personal borrowers is at present lower than the rate being charged to the company, but this product is for a special market and has to be com-petitive to succeed."

By implication and contrary to recent bank publicity, it would appear that small businesses are neither a "special market" nor is there the need to provide the stimulus of competitive rates. Clive Nottingham. Peacehaven, East Sussex.

the individual concerned must, as suggested by Mr Hood, invest what could be a considerable part of his savings in the com-

It is becoming more usual for the articles of association

of companies to provide that directors need not have a sbare-holding as the shareholdings

previously prescribed were generally mly nominal. The fact that some directors

do not have stakes in their

companies commensurable with

their remuneration may be due

I would suggest to lack of con-

fidence in the business they

London International Press

to many factors, but least of all

pany's shares.

direct. S. W. Penwill,

As chairman of a company Centre, 76, Shoe Lane, EC4.

Your correspondents make I would not wish to be handimuch of the tower having been capped in recruiting the best designed and detailed both expert brains and experience inside and out by the late to my board by insisting that

#### production From Mr B. Read

Agricultural

Sir,-John Cherrington (April 23) once again highlights the problems of the Common Agri cultural Policy and argues the ineffectualness of some of the proposed reforms. He has taken the ball hy the horas and sun-gested a more radical but commonserse solution to set acidland which is producing the structural surpluses. I am in wholehearted support of his proposal though as a four miller it might seem against my interests. I do not however. want to be able to buy cheap wheat just hecause a suprort system is encouraging overnroduction-wheet whose er'es is in any case maintained ofther he exhausive expert reports acostly intervention procedures

I am sure that there is a major nevelulorical basica to he Weitelme petoco ser. ca. ה'חשו מל דונותן שוכסף מחים פהים mented and in any core there must be seen in a E---context and not just se the. would affect us in the UK T suggest that there is one ston which could and should be taken immediately both to some public money and in the in letests of conservation of the the Bakitleti it and property to the continuingle. I am sequence to Ministry of Aurignitus, Tand and Ficherine to enable land to he Characted to seekle orests. tion which of necessit moongrowing more wheat.

As a conservationist marrier. lark interested in the process-Anglia I am concerned that at tion where application is being made for grants to improve the drainage of large areas of time that Consument negative of the confidence of the confidence of the confidence of the property of the confidence of Nid Chababi abi ipa ----. politaria priparene tha Mini --- ef torioulium Pand and Elaboria. has an over-riding arligation to incresce porientister necesar. ting is tenjated by one apply porty acceded the entiremental-1 effects of a cents and consisting additional production is insti-fied—not just that the scheme is cost effective. This should ensure that some land of ecological and landscape value is not taken into cereal production, at public expense, to produce commodities which are in sur-

Bryan C. Read. PO Box 9, City Flour Mills, King Street.

### Trade Development Bank Holding S.A. Luxembourg

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Trade Development Bank Holding S.A. (TDB Holding) will be held at the registered office of the Company, 34, Avenue de la Porte-Neuve, Luxembourg at 2.30 p.m. on 11th May, 1982 for the purpose of considering and voting on the following matters:

Approval of the Chairman's Statement, the Statutory Auditors' report and the unconsolidated financial statements of the Company for the year ended 31st December, 1981.
 Discharge of the Directors and of the Statutory Auditors concerning their duties relative to the year

ended 31st December, 1981. Appropriation of US\$ 1,580,000 to the legal reserve, distribution of a dividend of US\$ 1.40 per share and the carrying forward of the balance of the profit.

4. Election of the Board of Directors and of the Statutory Auditors for 1982. All the Directors are eli-

gible and stand for re-election. 5. Approval of the consolidated financial statements of the Company for the year ended 31st Decem-

> By Order of the Board, Edmond J. Safra, Chairman

Subject to the relevant resolution being approved, the dividend will be payable oo 1st Juoe, 1982: (i) in respect of registered shares to shareholders on the register as at 1st May, 1982 and (ii) in respect of bearer shares against surrender of Coupon No. 10 to any of the Paying Agents listed below.

Any shareholder whose shares are in bearer form and who wishes to attend the Annual General Meeting in person must produce a depositary receipt or present his share certificates to gain admission. If he wishes to be represented at the meeting, be must lodge a proxy duly completed together with a depositary receipt at the registered office of TDB Holding 21 54, Avenue de la Porte-Neuve, Loxembourg, not later than 10th May, 1982 at 5.00 p.m. The shareholder may obtain the depositary receipt and, if required, the form of proxy from any of the banks listed below by lodging his share certificates at their office or by arranging for the bank by whom his certificates are held to notify any of the banks listed below that the shares are so held.

Any shareholder whose shares are registered will receive a notice of the Annual General Meeting at his address on the register rogetber with a form of proxy for use at the meeting. The proxy should be lodged 21 TDB Holding's office in accordance with the above instructions.

The remittance of the form of proxy will not preclude a shareholder from attending in person and voting at the meeting if be so desires. The resolutions may be passed by a simple majority provided that no single shareholder or proxy may cast votes in respect of more than one-litth of the issued capital or more than two-fifths of all shares represented in person or by proxy at the

Copies of this notice and of the Annual Report including the financial statements of TDB Holding for the year ended 31st December, 1981, may be obtained at its registered office, and from any of the banks at the following addresses:

\*Manufacturers Hanover Limited, 8 Princes Street, London EC2P 2EN. \*Banque Internationale à Luxembourg S.A., 2, Boulevard Royal, Luxembourg. \*Manufacturers Hanover Bank Belgium, 13, Rue de Ligne, 1000 Brussels.

\*Manufacturers Hanover Banqoe Nordique, 20, Rue de la Ville-L'Evèque, 75008 Paris,

\*Manufacturers Hanover Trust Company, 40 Wall Street, New York, N.Y. 10015.

\*Manufacturers Hanover Trust Company, Bockenbeimer Landstr. 51/55, Frankfurt.

\*Republic National Bank of New York, 452 Fifth Avenue, New York, N.Y. 10018.

Trade Development Bank, 25, Corso S, Gottardo, 6830 Chiasso, 1.

\*Trade Development Bank, 21 Aldermabury, London EC2P 2BY. \*Trade Development Back (France) S.A., 20, Place Vendôme, 75001 Paris.

\*Trade Development Bank (Luxembourg) S.A., 34, Avenue de la Porte-Neuve, Luxembourg.

Trade Development Bank, 2, Place du I.ac, 1204 Geneva.

\*Paying Agent of TDB Holding.

filliner



### IM & S profit expands by 22.6%

Lex looks at the surprisingly good results from Marks and Spencer. Volume growth bas been accelerating and

profits for the year have jumped by close to £41m to £222.1m

pre-tax. ICI meanwhile has produced a disappointing first

quarter result with pre-tax profits of £62m against £52m in the comparable period—well below outside expectations. Most of the sluggishness is due to very weak oil prices which

the company has been unable to use to improve oil product margins. Finally Lex considers the implications of Great

Universal Stores' latest move of stepping into the market and

building up its absre holding in Empire Stores to 29.9 per cent. Other major news of the day was the appointment of

receivers at Birmingbam and Midland Counties Trust-the

master company of Graham Ferguson Lacey and a substantial

shareholder in NCC which was suspended earlier this week.

esults for the period ended larch 31 1982, howing s 17.4 er cent rise in sales to almost 2.2bn and s 22.6 per cent icrease in pre-tax profits to evealed that s professional avaluation of its UK properties as thrown up a surplus of 197.7m which has been credited b reserves.

In the UK stores sales acreased by 16.5 per cent, in Murope by 30.9 per cent and in pganads by 32.3 per cent. The masults this time cover M & S thad its European subsidiaries for wife year to March 31 1982, and type Canadian substitution Canadian subsidiary for the coear ended January 31 1982. ta he figures take in 53 weeks ading (against 52), except in hanada 152 against 531 and in Prance (52 for both years).
Earnings per share for the 1 C2,62p to 9.22p, and the dividend

for lifted from 3.8n to 4.6p net, high a final of 2.85p. at. The profit was struck after Results of overseas sub-thbarging depreciation of £22.7m sidiaries have been consolidated

revised values. The attocation to the profit sharing scheme represents 4.3 per cent of the salaries of those elgible.

HIGHLIGHTS

the straight of the condition of the con

the beginning of the year with-out any adjustment for their sales are 8.9 per cent higher, but revised values. The attocation profits before tax are 14.2 per cent lower.

The European profit is arrived after deducting pre-opening and other exceptional expenses totalling £474,000 (£253,000), while the Canadian figure is other

f61,000 (nil), being the net interest paid relating to the

acquisition of Stanley Aviation

Corp. associates' losses of £3,000 (nilt and the allocation of £73,000 (nil) to the sbare incen-

increase in tax, which was up from £127,000 to £748.000.

Attributable profits were \$2.27m

Despile a mid-air pitstop-in the form of a £5.2m rights issue last

June-Flight Refuclling only just managed to sustain its

record of profit growth. And

since pre-lax returns from the Stanley acquisition for which

the money was raised amounted

to no more than £0.26m over the

six month period, fully-laxed earnings per share have been

somewhat diluted. Indeed, the Inclusion of Stanley Implies that

existing interests did marginally

less well than in a disappointing

6rs) half: as before conditions

were smoother for FR's major

business than for its ventures in

electonics and fluid control. The

shares came back 12p on the

figures to 263p, where the yield is 2 per cent. The fully-laxed multiple of almost 25 still looks

31 1981, Ynle Catto and Co, returned taxable profits of £5.75m, which were 140 per cent above the £2.39m schieved for

The directors say that the consistion of Revertex

comparisons

DIVIDENDS ANNOUNCED

Date

payment

July 5

Dividends shown pence per share net except where otherwise stated.

• Equivalent after allowing for scrip issue. -† On capital

Chemicals in 1980 and subsequent

change in the group's financial

extremely difficult but earnings

per sbsre have increased from 7.9p in 1979 and 2.6p in 1980 to

They are stepping up the final dividend from 1.2p to 1.5p for

int. int

4.153

the previous 14 months,

make

Aberdeen Trust .....

Arenson Group ..... Ben Balley .....

Border Breweries ....... British Assets 2nd qutly.

BSG International ...... De Vere Hotels ......

Holyrood Rubber ...... Hongkong Rubber .....

Hopkinsons Holdings ... Kuala Selangor Rubber

Marks and Spencer ..... 2.85 Office and Electronic ... 5

George Wimpey ......

£551,000

substantial

against

tive scheme.

sbsorbed

comment

### Flight Refuelling edges ahead

profits at Flight discruelling (Holdings) edged whead from £2.91m to £3.02m in and the directors are mecommending a one-for-two terip. The final dividend is

Turnover of this manufacor aircraft, nuclear and elec-ronics industries, improved rom £19.05m to £21.89m, Group Besults include only six months' to contribution from Stanley Aviawhich was acquired on June 30, 1981 at s cost of \$10.6m.

The directors say the results show a modest improvement on those for the previous year. The depressed state of the national economy, together with the limitations and changes in defence terip. The final dividend is tations and changes in unitably ahoisted from 1.6p net 10 2.35p expenditure, have inevitably for an increased total of 3.75p affected some areas of the group's business in the shortterm. However, despite these difficulties, they consider that the performance in the well-cstablished areas of its business bss been very satisfactory. Accordingly, they are recom-mending one-for-two bonus

issue to be adotted to ordinary The pre-tax figure was atrurk



### First three months' results

The Board of Directors of Imperial Chemical Industries PLC announce the following unaudited trading results of the Group for the first quarter of 1982, with comparative figures for 1981.

First Quarter £ millions	Year £ millio	ns	First Quarter £ nullions
438 849	1,899 3,851	Sales to external customers Chemicals: United Kingdom Overseas	485 1,098
1,287 209	5,750 831	Oil	1,583 198
1,496	6,581	Total	1,781
52	335	Profil before taxation	62
74	348	After providing fnr: Depreciation	96
-36	-111	Taxation	-26
16 -6	224 -32	Profil after taxation Attributable tn minorities	36 -6
10	192 —6	Profit attributable to parent company before extraordinary items Extraordinary items	30
10	186	Profit attributable to parent company after extraordinary items	30
	22.2	Earnings before extraordinary items	

Group chemical sales in the first quarter were £1,583m. an increase of £15m (1%) over the fourth quarter 1981. Oil sales fell by £65m (25%) to £198m. There was a volume improvement in chemical sales of 1%, an increase of 2% in overseas markets being offset by a reduction in the UK.

32.3p per £1 Ordinary Stock

The f.o.b. value of chemical exports from the UK was £368m, an increase of 5%, on the previous quarter (£352m). Oil exports fell from £40m to £13m.

The Company's oil business praduced trading profits nf £12m in the quarter (fourth quarter 1981 £25m) after supplementary petroleum duty and petroleum revenue tax of £41 m (fourtb quarter 1981 £45m).

The year started badly with UK trading adversely affected by weather and transport difficulties but there was improvement towards the end of the quarter. However, there is no evidence as yet nf a sustained upturn. The fall in the price of oil contributed to lower oil profits but failed to benefit margins in oil related businesses where because nf industry overcapacity pressure an prices intensified. In most overseas territories profits held up well despite recession in many parts of the world.

The following table summarises the sales to external customers and profits before tax by quarter:

<u> </u>	Chemical Sales	Oil Sales	Profit Before Tax
1981	£n	£m	£m
1st Quarter	. 1,287	209	52
2nd Quarter	1,418	185	83
3rd Quarter	1,477	174	86
4th Quarter	1,568	263	114
Year	5,750	831	335
1982 Isl Quarter	1,583	198	62

The charge for taxation for the first quarter of 1982 amounting to £26m (1981 £36m) cansists of £7m of UK corporation tax (1981 £20m) and £19m taxalion of nverseas subsidiaries and principal associated companies

Trading Results for the first half year 1982 will be annunced an Thursday 29 July 1982.

P.S.G.FLINT

Imperial Chemical House Millbank Landan SWIP 3JF 29 April 1982

### (£172m) and the earnings per share to \$.45p (6.96p).

The annual accounts will be posted on June 4, and the annual meeting held on July 1 at the Royal Lancaster Hotel, W. at

		. £m	£m
	Group seles	°2.198.7	1,872,9
	United . Kingdom		
	Clothing		
	Hamewere, elc		
	Foods	753.0	
	Eurape		
	Clathing	68.0	53.4
	Homeware, etc		2.3
	Foods		60
	Canada		78.1
	Clathlog		58.4
	Gen. Marchandise		17.6
	Foods	10.3	7.1
	Orrect exports		22.3
_	Trading profit	242.4	198.2
	Interest payable	15.a	15.2
	Ospreciation	22.7	
1	Profit sharing	4.2	3.2
Ē	Interest recd	21 6	17,9
	Asset sele	0.8	3'2
Г	Profil beigm tax	222.1	181.2
_	United Kingdem	215 4	176.S
Į	Eurepe	3.1	1.9
l	Caneda	2.5	2.5
	Takalron	100 3	80.6
•	Minority	1.1	1.1
•	Attributable	120.7	99,5
5	Pref. dividend	0.1	01
,	Ordinary	60.2	49.6
•	Undestributed	60.4	49.8

### Office and **Electronic** at £2.66m

TAXABLE profits of Office and Electronic Machines, the UK interest sole distributor of Adier. 127.26m Imperial and Triumph type (£13,000 writers, calculators and word (£23,000 ( processors, rose marginally from £2.52m to £2.66m in 1981. Turnover slso made a slight advance lo £22.65m compared with

Stated earnings per 25p share were down to 16.31p (21.32p). Earnings per share have heen adjusted to reflect the rights issue made last June. The year's dividend is being increased from 7p to 7.5p net per 25p share, with a final of 5p (4.5p). Earoings per share are, however, stated lower at 25.03p (27.84p excluding release

of deferred tax of 28.07p). Tax took £1.12m (£899,512 credit after release of £1.72m deferred (ax) leaving stributable profits of £1.53m (£3.42m). Current cost adjustments reduced the attributable surplus to £1.1m (£1.83m excluding the release of deferred tax1.

After dividends of £459,366
1£428,742) the retained profits emerged at £1.07m |£3m).

At the half-year stage, the company had made pre-tax pro-

hts of £1.3m (£1.37m) on turn-

over of £11.43m (£12.28m). Taxable profits of Kuala Sclangor Rubber Company for 1981 declined from £310,469 tn £295,244, but the lotal dividend is 2 per cent. The fully-laxed is held at 13.5p nel with a same where potential is seen to be again final of 9p. Stated carnings a rather optimistic rating, but it may get fair support from current milliary activity, as a (£167,198). Kuala's ultimate windfell element in 1982 profits seems certsin.

229,244, but he lotal dividend including recovery overces—where potential is seen to be good—and there should be £1.5m more property sales. Altogether this puts a return to real dividends on the cards hulding company is Harrisons seems certsin.

ment of 25 per cent on last time's 2p.

No sbare of profit from Goal Petroleum was included in the

full year results following its

reclassification as an Investment instead of an associate. addition. Doverstrand

addition, Doverstrand has become an associate instead of a subsidiary following its amalgamation with the Revertex

compounding division.

It is pointed out that the group's UK performance was "very creditable" and that it

continued to benefit from

Corre- Total

· year

### turnround into black by BSG

£5.28m

THE MOVE back into the black mid-year by BSG International was short-lived although this industrial holding concern still showed a healthy turnround in fortunes for 1981 achieving pretax profits of £320,000, compared with a deficit of £4.96m pre-

The group returned to profit in the first quarter and by midway recorded taxable profits of £514,000, against a loss of £440,000 for the corresponding period. The second half shortfall is bland on strikes and further is blamed on strikes and further interest rate increases.

Although the group has again traded profitably in the first quarter of the current year, the directors say it would be inappropriate to recommend a divideod for 1981 other Iban the nominal 0.1p net paid at the interim stage — last year both payments were omitted.

They say they are expecting improved profits for 1982 provided the UK economy does not deteriorate and that interest rates remain stable.

Turnover for the year under review totalled £247.6m (£267mt and trading profits came through at £4.98m (£2.3m)—comprising vehicle distribution £2.81m (£2.45m) and manufacturing £2.17m [£154.000 loss]. The pre-tax figure included a

share of associate losses of £45,000 (nilt and was after charges of £4.61m Tax took £496,000 (£13,000)

(£53,000 credit) and extra-ordinary debits totalled £1.1fin Minority dehits were £173,000

Loss per 10p share is given as being down from 7.48p to 0.53p. CCA pre-tax losses were 5889,000 (£7.34m].

#### comment

With the slip back into a pre-tax loss of £194,000 in the second half, BSG falled to meet expec-tations. The good news was the sharp cut in interest costs. Some 60 per cent of this came from a 27m slice off borrowings, mainly lbrough properly sales. This has taken some of the heat out of gearing which is down from 60 per cent to around 50 per While the vehicle side is likely to continue to wallow in recession until late 1983, the manufacturing division—despile losses in Germany, France and Spain—made a timely recovery. The indications from first KUALA SELANGOR quarter performance are that the group will produce an improved half-time result. For the full year a further upturn in manufacturing is anticipated including recovery overseas—

(£553,000) and extraordinary dehits this time of £83,000

pre-tax profits were £4.4m.
The group's main activities

Nearly all of Yule Catto's incresse is thanks to the Revertex

acquisition. Platations bave weskened in the year, due to lower prices for rubber and paim products. Manufacturing has been fairly atatic, with only roof

skylight sales looking chipper

new chemical acquisition, notably overseas where more than half the division's profits come from.

is putting money inlo its

The Lombard

14 Days Notice

comment

### George Wimpey slips to £44.2m: lifts dividend

of the continuing recession both at home and overseas, pre-tax profits of George Wimper, the building, civil, mechanical and electrical engineering contractnr, dropped from £54.9m tn £44.2m in 1981.

Sales of private houses in the UK fell from 9,100 to 7,300 though in recent months demand has increased particularly. for first-time home buyers, says Sir Reginald Smith, chairman.

The group's response of offering very economic houses backed with vigorous marketing has resulted in an encouraging increase in house-starts in the

Stated earnings per 25p share for the year fell from 16.9p to SIr Reginald says. Despite this. Norwich Union suffers

increase in surrenders A SUBSTANTIAL jump in the number of life policies being sur-rendered or lapsed is reported by the Norwich Union Insurance Group in its 1981 report and

accounts,
Mr Michael Falcon, In bis chairman's statement, said that during the year 5.1 per cent of the life policies in force were either surrendered or lapsed, compared with an average of 3.3

per cent for the preceeding 10 This increase be attributed to the current economic climate. He the figures are below the sverage for the industry, nevertheless such a high figure was imposing a severe strain on the administra-

The Norwich Union, unlike most other life companies, has not rushed to invest its UK life

### United Wire up midway

TAXABLE PROFIT of United Wire Group in the half year to March 27 1982, was well ahead at £649,000 on the £30,000 in the same period s year earlier, after interest charges of £252,000, up from £186,000. Turnover rose from £6.48m to £9.27m.

The nel interim dividend is heing held at 2.2p-last year a lotal of 5.75p was paid out of taxable profils of £602,000. Half year stated earnings per 25p share were 2.9p, against 0.1p.
Tax was higher at £360.000 (£21,000), for a net profil of £259,000, compared with £9,000. There was an extraordinary debit of £50,000 (nil).

Mr A. A. Green, chairman, says

profitability improved signifi-cantly in the traditional sector Yule Catto soars to £5.7m and pays more

> major contribution to profits The company says the current from overseas companies.
>
> The company says the current year is likely to be one of conom overseas companies.
>
> Turnover for the year rose to year is likely to be one of con-solidation, rather than further expansion. The GOAL invest-ment is now worth about £1.4m months) and trading profits were £5,98m (£2.9m).
>
> Tax took £2.57m (£1.34m) and after minorilles of £598,000 less than it was a year ago, but the company insists that the Yulc Catto's shares gsined 5p yesterday moving to 87p. This 1£406,000 credit! aifributable Profils emerged 177 per cent shesd al £2.5m (£903,000). CCA gives an historic fully-taxed p/e of around 71, which discounts the company's modesl growth profile for the group overall. The increased dividend include rubber and palm oil cultivation in Malaysia and the fabrication of the moplastic indicales a yield of more than 4 per cent.

credits for previous years.
The final dividend is increased, however, from 1.7p in Canada along with practices in 1.55p absorbing \$4.99m (\$4.55m] a firm foundation for growth which lifts the net total for

the year from 2.55p to 2.5p a share. The annual cost goes up Total furnover for the year slipped from £1.230n to £1.15n and operating profit from £69.1m to £59.8m.

Interest costs also rose from £14.2m to £15.6m but the release nf deferred tax provisions produced a tax credit of film against a charge of £11.7m last time, increasing net profit from £43.2m to £50.2m.

E305m new money was available for investment and £280m was invested in the UK. Overseas holding now constitute about 2.5 per cent of UK life funds.

The life funds invested £69m

Total life funds rose oy £400n

ferrous wire, wirecloth and syn-

reorganising these activities over-

activities in South Africa.

the pest two years were begin-

in fixed interest gilts and a further £31m in index-linked

of the funds.

ning to be seen.

long-established business in the U.S. provides the group with With a further reduction is

berrowings in the year the group is well placed to continue investment, he adds. At balf-way stage pre-tax prefits were down from 529.4m in

On a current cust basis the year's pre-tax profits were \$27.3m (£20.2m) while stated earnings per share were 18.2p (6.1p) after tax.

Copies of the report and acounts will be distributed to shareholders on May 19 and the annual meeting will be held on June 21.

### **Evered cuts** deficit to £0.3m

A SHARP reduction in pre-tax losses has been shown by Evered and Company Huddings, engineer, from £646.031 fo £290.603 for 1981. Turnover was lower at £9m, compared with

gilts. Mr Falcon emphasises that the real yields offered at pre-sent on index-linked gilts do not There is again no dividendthe last payment was a final of 0.25p m 1979. Lowes per 25; share were cut from 11.2p to 5p. The prospects for the current make them an attractive holding for more than a small proportion last year to £2.51bn at the end of 1981. Annual premium meome year were more encouraging. says the directors. Although January was a difficult month, management accounts for the rose nearly 12 per cent to £324m, single premiums by nearly 20 per cent to £75m and investment quarter of 1982 indicate income by nver 20 per cent to that the improving trend has The fire insurance subsidiary

As stated in the interim report, the recovery of the group. has continued in the second half despite the economic uncertainties arising from the sharp increase in interest rates midway through the period.

A small trading profit of 17,000 was made in the six months, an improvement in which all the nperating . subsidiaries tribuled, say the directors.

The extraordinary loss was attributable to the lower value of the Rand, affecting group Pre-tax profits were struck after reduced interest charges of \$173.131 (£267.733). There was Thule United operations continued to expand rapidly, the
chairman adds, with first-half
profits almost equal to those mediance delits of £248.658 Thule United operations conmade in the previous full year. SeaMark Systems sales were (£273,7361. growing but it was not yet profitable.

On a cuttent cost bases, pre-tax losses animited to 2434 090 (£823,000).

### M. J. H. Nightingale & Co. Limited

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#### **NEW VENTURES • NEW JOBS • NEW MARKETS**



### Newmarket Company (1981) Limited

- The international venture capital investment company with a full listing on The Stock Exchange, London.
- Total Assets US \$76 million.
- Venture investor in the United States for 10 years associated with leading US venture capitalists.
- New venture capital investment programme in the United Kingdom.
- Research in the UK by New Cambridge Research Company Limited.
- Investments in flight simulation, medical instrumentation, biotechnology, computer & telecommunications systems, tissue culture, software programmes.

For copies of the 1981 Report and Accounts. which include the Chairman's Review. colour photographs and full information of the Group's activities. please telephone or write to the company at:

Church Street, Hamilton 5. Bermuda\_ Tel: 010-1-809 (29) 52244

Reid House,

John Allan, C.N. Services Limited 14 King Street, London EC2 Tel: 01-726 4329

ADVENTURE • INNOVATION

# \* Equivalent after allowing for scrip issue. † On capital Increased by rights and/or acquisition issues. ‡ USM Stock. § Oo capital to be increased by scrip issue.

Property Investment and Development

**FIVE YEAR RECORD** 

Investment rental income Profit before taxation Ordinary stockbulders' funds Investment portfolio Net assets per ordinary stock un Dividends per ordinary stock un		1977 \$000 151 332 3,080 1,084 31.7p 1.00p	1976 \$000 492 857 9,178 12,597 52.11 1.20p	2 1,103 7 1,028 8 9,607 7 12,961 9 54.6p	1980 \$000 1,423 817 15,001 18,356 82,6p 1,55p	1981 £000 1,538 914 19,876 24,367 109.4p 1.75p
-	-				ענטבו	

- Completion of new developments will enhance steady growth in rental income and assets per
- Majority of borrowings are long-term with repayment dates from 1985 to 2002. Despite additions to portfolio, borrowings still remain at approximately 50% of stockholders' funds.

Copies of the annual report available from the Secretary, 51 Green Street, Mayfalt, London W1Y JRH

# slips to

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deficit

to Hazm

#### Lilleshall dividend: cut by Ip

HAVING INCURRED a pre-tax HAVING INCURED a pre-tax loss of £84,000 indway, the steel and engineering holding company Lifleshall reports losses for the yeer to December 26 1981 of £100,000 compared with a pre-tax profit of £306,000. Turnover feR from £11.54m to £10,010

Mr J. G. Price, chairman and chief executive, says the re-duced losses in the second half were partly because of e 10 per were party because of e 10 per cent sales increase but were largely due to containing losses at the steel mill. However, this was offset by a severe reduction in results at the engineering division.

The final dividend per ordinary share has consequently been cut from 2.5p to 1.5p net, making a total of 2.5p for the year compared with 3.5p. Earnings per 10p share are stated to be nil against 25.7p before excluding deferred taxation adjustments adjustments.

The company had a tax rebete of £27,000 against a payment of £266,000 last time, and extraordinary items (net of tax) took £38,000 (nil), leaving ettributable losses of £165,000 against profit of £572,000 against profits of £572,000.

The chairman says: "The com-The chairman says; "The company has traded profitably for the first three months of the current year but there is renewed hesitancy in the steel industry, particularly as it affects the steel mill, and it is not possible to forecast results."

Current cost accounting methods produce e pre-tax loss of £269,000 (profit £114,000).

### Oil profits fall but ICI ahead in opening quarter

oil business fell from £26m to £12m in the first quarter of 1952. This figure was after supplementary petroleum duty and petroleum revenue tax up from £31m to £41m.

Pre-tax profits of Britain's largest manufacturer increased by £10m to £62m, despite depreciation climbing by £22m to £96m. Sales showed a substantial improvement from £1.5bn to £1.78bn.

Group chemical sales contri-bated £1.55bn of this total—a modest increase of 1 per cent over the previous quarter's figures. There was a volume improvement in chemical sales,

improvement

TAXABLE profit of Border Breweries (Wrexham) moved ahead from £903,701 to £938,435

in the year to February 28 1982, on turnover up from £14.08m to £15.29m. Profits at half time were

A higher final dividend of 3.8p

£47,356 (£40,553) were the profit from disposing of freehold

Pre-tax profit on a CCA basis was £613,000, down from £661,000.

Border

£508,000.

**Breweries** 

TRADING PROFITS from again by 1 per cent—an increase imperial Chemical Industries' of 2 per cent in overseas markets oil business fell from £26m to being offset by a reduction in the

being offset by a reduction in the UK.

Chemical sales in the fourth quarter last year were £1.57bn and oil sales totaled £263m in the same period. The final quarter pre-tax figure was £114m. Year-end figures were: group sales £6.58bn, including £5.75bn from chemicals, and £831m from oil: pre-tax profits £335m.

The FOB value of chemical exports from the UK was £368m, an increase of 5 per cent on the previous quarter's £352m. Oil sales fell by 25 per cent to £198m.

The directors say the year started badly with UK trading

# weather and transport difficul-ties, but there was improvement towards the end of the quarter.

However, they say there is no evidence, as yet, of a sustained The fall in the price of oil contributed to lower oil profits, but failed to benefit margins in oil-related businesses

First quarter tax was down from £36m to £26m, leaving £36m against £16m. After minorities of £6m (same), attributable profits were £30m compared with £10m, and the tated earnings per share stated earnings per a advanced from 1.7p to 5.1p.

#### Strong recovery shown by Hoskins & Horton

asset base in 1980, according to Mr R. C. Hale, chairman. It finished 1981 with pre-tax profits of £451,000, against a £188,000 loss and a mid-year profit of

net, compared with 3.6p, lifts the total to 5.2p (4.9p). Stated earnings per 25p share were 11.59p, against 10.55p.

Tax at £309,474 was down from £330,688. Extraordinary credits of Turnover of this building supplier, builder and contractor rose from £8.95m to £9.4m. Interest payments took less at £134,000 (£271,000). A final payment of 3p per share (2p) will raise the total dividend to 5p (2p). Stated earnings per 20p share were 16.4p, against e 26.5p loss.

Tax took less at £15,000 (2511,000) and extraordinary debits at £19,000 were also lower, against £627,000. In view of the 1980 difficulties

and the continuing recession, the 1981 performance had been sound, Mr Hale said. The Horton sound, Mr Hale said. The Horton companies began 1982 poorly because of the bad weather and prospects depended on the state of the domestic economy. Hoskins had made a sounder start, but its summer performance would probably depend on winning export contracts.

A pre-tax profit of £280,000 was recorded on e CCA basis, against a £541,000 loss.

### **Production changes and** U.S. loss hit Arenson

FOR THE six months ended January 31 1982 Arenson Group sidiary, he says the trading and management problems being omitting the interim dividend.

The loss was £630,000, compared further losses in the second balf. omitting the interim dividend. The loss was £630,000, compared with a profit of £28,000 in the

paid.
Mr Archy Arenson, the chairman, says the required changes in production techniques in both the office and domestic furniture divisions to make the new ranges caused heavity-increased production, costs, which continued through to the end of March. And this situation end of March, And this situation of 1.225p. was aggravated by losses of some

RECOVERY

Associated companies

Profit (loss) before tax

Historic cost

Current cost

Proposed total dividends:

on Ordinery Shares

Shareholders funds

Total borrowings

With regard to the U.S. subwith a profit of £28,000 in the "However, we are paying special comparable, period last year and urgent attention to this when an interim of 0,52p was matter so that by the end of the paid.

Mr Archy Arenson, the chair-tions will have been imple-

> Turnover for the half year tame to £6.69m (£6.18m). The loss per share is shown et 6.8p (0.4p). In the full year to July 31 1981 the group made a profit of £86.000 and paid a total dividend

Turnoyer Profit (loss) before interest and text of and a control of the Group

Earnings (foss) per share: Fully diluted.

on Convertible Preference Shares

prostably in the home market accepted in respect of 81.1 new, recovery when it comes.

"We are in a far stronger post—theres, or 91.4 per cent."

Liquidity has been boosted by tion to regain our market share. The shares not taken up have the recent hotel sale and will because of the actions that we been said at approximation in the be further augmented through have taken over the past 18 market. Net proceeds will be the disposal of low yielding promonths."

### De Vere Hotels over £0.8m off at year-end

SECOND HALF profits of De Vere Hofels and Restaurants have fallen from £781,000 to £495,000. Following the setback at midway, the full profit for the year 1981 came out et £538,000, against £1,396,000.

Turnover was down from £21.05m to £20.06m. The dividend for the year is held at 6p net per share, with an unchapped final of 3p.

The directors state that there The directors state that there is, as yet, little sign of a significant lasting upturn in the economy. However, the strength of the balance sheet with a net asset backing of 336p per share provides a defence against a prolongation of the recession and appared the group will be able. was aggravated by losses of some \$200,000 sustained in the U.S.

While trading conditions have not improved, Mr Arenson says diency. Ansbacher has been to take full edvantage of the profitably in the home market accepted in respect of \$11 new, recovery when it comes. Thought has been boosted by We are in a far stronger-position and profitably in the home market accepted in respect of \$11 new, recovery when it comes. Thought has been boosted by the are in a far stronger-position and profitably in the home market accepted in respect of \$11 new, recovery when it comes.

Results for

year ended 1st January, 1982.

1981

152,220

10,092

2,979

(4,773)

8,298

42,381

20,702

**10.7**p

1.5616p

1980

.£'000

165,627

(1,524)

(7,346)

(8,252)

23,311

45,767

(40.7)p

618

The profit was struck after depreciation, repairs and renewals of £1.94m (£1.92m). There is an extraordinary credit of £1.48m (£17,000) including realisation of prior year revaluation surpluses £1.95m. Earnings per share are down from 9p to 4.1p.

### **Henry Boot** at £1.88m:

pays same and Sons improved in 1981 to over slightly up to £92.47m trom

£91.54m. Profits were £239,000 after six months, when the chairman pre-dicted e difficult year for profit

The final dividend of 10p net is being repeated, for a same, again total of 13p. Earnings per 50p share are given as 27.5p. Tax credits of £86,000 (£1.71m)

made a net profit of £1.97m. against £3.41m. Minorities credits came to f12,000 (nit). On a CCA basis, taxable profit was f1.56m, compared with f1.7m.

The company's main interests are in construction, loinery, engineering, property, foundry, plant and fluance.

### **British Assets** up to £1.76m

In the six months ended March 31 1982 net income avail-March 31 1982 net income available for ordinary shareholders in British Assets Trust rose from £1.62m to £1.76m. Gross income declined by £400,000 to £3.46m as a result of the sale of UK government securities to repay two U.S. dollar loans but this was more than offset by a cut in interest and expenses by £500,000 to £334,000.

A second quarterly dividend of 1.1p is declared, making 2.2p to date. For the year ended

to date. For the year ended September 30 1981 the company paid a total of 4.05p. Tax took £1.27m (£1.25m) and earnings are shown at 1.85p. (£7p) per share.

At March 31, net asset value was 117.5p, compared with 119.3p at September 38 1981.

ASSOC HEAT

Underwriting is in progress for the offer for sale by tenier of Associated Reas: Some 40 per cent of the ordinary share capital, or 2.200000 ordinary stares, will be effected by way of tender. The prespectus will be advertised on Monday and the application list will open on May 7.

on May 7.
S. G. Warburg, the merchant bank, is advising the company, whose stockbrokers are Rowe-

#### GRA GROUP 🚁

The GRA Group, the grey-hound racing business, granted a full relisting on the stock market earlier this week, will begin trading this morning. Brokers to GRA are Rowe and Pitman.

THE TRING HALL USM INDEX 1221 (+1.0) BASE DATE 10/21/20 100 Tel: 01-638 1591

**第一次,** LADBROKE INDEX Close 577-582 (+4)

#### Losses cut at Audio **Fidelity**

REDUCTION from \$215,000 £192,000 in its pre-tax losses reported by Audio Fidelity for the half year to October 31 1981. In the previous full year to April 30 1981 there were losses of £280,617 against profits of £99,048.

profits of £99,048.

The directors of this mannfacturer, wholesaler and retriler of hi-fidelity sound equipment, say retail losses over the normally quiet summer period were even higher than expected. Adverse conditions have continued into the second balf. Little improvement was achieved during the Christmas period due to appalling weather conditions.

While showing an improvement as a whole, mannfacturing divisions suffered heavy reorganisational costs, which they say will not affect the second half figures.

This division is enjoying markedly increased demand for its products. The German subsidiary, Orchesterelektronik Vertriebs, ceased trading in

There was again no tax charge for the half year but there were minority credits of £2,000

1				
Ĭ	SPAIN -	<u> </u>		
	3.74	Price		
-	April 29	%	401	
r	Banco Cilbao	345	<b>-3</b>	
	Bacco Central	334	-3	
1	Banco Exterior	310	45	
-	Banco Hispano	310	-2	
	Banco Ind. Cat.	110		
0	Canco Santandar	322	<b>≻</b> -3	
,	Banco Urquijo	200	-	
	Banco Vizcaya	360	<b>-3</b>	
	Benco Zaragoza	246		
	Oragedos	150	-2	•
	Espenola Zinc	69		
	FORCE	63		
	Gal, Precietos	40		
	Hidrols	63.5		
		56.5		
	iberduero			
	Petroleos	91.0		
•	Petroliber	. 99		
_	Sogefiss	6,50		
-	Telefonica	71.7	+1.2	
	Union Elect,	64	+0.5	

# Hoechs

NOTICE IS HEREBY GIVEN THAT

The Annual General Meeting will be held at 10 a.m., on Tuesday, 8th June 1982,

at the Jahrhunderthalle in Frankfurt am Main-Höchst, Piafferwiess.

1. Presentation of the Annual Report and Accounts of Hoschet Aktienges schaft for 1981, with the Report of the Supervisory Board, and the Consoll-dated Report and Accounts for 1981.

2. Allocation of the profit available for dividend. It is proposed to pay e dividend of DM7.—per share of DM 50.—nominal for the financial year 1981.

3. Ratification of the actions of the Board of Management for 1981.

4. Ratification of the actions of the Supervisory Board for 1981. 5. Resolution that the Board of Management be authorised until 7th June 1987, with the epproval of the Supervisory Board, to Increase the share capital by up to DM 300 million by the Issue of new shares against contibutione in cash or in kind, and to decide on the exclusion of the subscrip-

6. Election of auditors for the financial year 1982.

The full agenda, including the proposed resolutions, is contained in the Bunder anzeiger no. 81 of 30th April, 1982.

Shareholders wishing to be present and to vote at the Meeting must comply with Article 14 of the Articles of Association and deposit their share certifica-tes during usual business hours by Thursday, 3rd June 1982, at the latest until efter the Meeting, at one of the depositories listed in the Bundesanzeiger no. 81 of 30th April 1982, or, in the United Kingdom, at the offices of

S. G. Warburg & Co. Ltd. 30. Gresham Street London EC2P 2EB

Frankfurt am Maln, April 1982

Hoechst Aktiengesellschaft

# Norwich Union

### The Chairman Mr M G Falcon CBE, DL reports:

Overall, our results for 1981 showed an improvement over those for the previous year. Whilst increases in premium income were modest. Group profits were enhanced by greater investment earnings.

The Life Society surpluses reached record levels, which were reflected in higher bonuses to policyholders. The Fire Society, operating in an intensively competitive market, produced pre-tax profits 21% greater than in 1980.

### Life Society

Overall in the United Kingdom our new annual premiums increased by 6%, but the bright spot was pensions for those not in company schemes, where new annual premiums rose by some 12% and single premiums by 68%. Overseas, we had another very successful year, achieving a rise of 36% in new annual premiums, mainly from pension

During 1981 a total of £305m of new money was invested, £260m of it in the United Kingdom. £100m was put into UK Government Stocks at very satisfactory yields, and we added to our property portfolio, which now exceeds £1,130m in market value, £1,000m of which is in the UK. Bonuses to policyholders were further increased.

### **Fire Society**

Despite intense competition and the consequent lower premium growth, the Fire Society's pre-tax profit rose to £39 million, £7 million up on 1980 but only £3 million better than 1979. A detenoration in the overall underwriting result was more than offset by increased investment income.

Competitive forces which slowed the growth of our business in the second helf of 1980 gathered further momentum throughout 1981. Although in the United Kingdom we achieved a modest underwriting profit, the measures we have hed to take in the attempt to preserve our share of the market do not augur well for the 1982 result.

### Summary of Group Results for 1981

LIFESOCIETY	1981	1980	FIRESOCIETY	1981	1980
TOTAL PREMIUMS:	£324.0m	£290.1m	PREMIUMS WRITTEN	£250.2m	£232.8m
Single	74.8 398.8	62.7 352.8	Underwriting Loss Investment income Shere of	(4.8) 44.7	(3.2) 37.6
New Annual Premiums	75.5	66.4	Associated Companies profits Expenses not charged	2.9	1.8
COST OF BONUSES: Annual Reversionary	85.7	71.9	to other eccounts	(3.6)	(3.9)
- Additional	13.3	9.2-	PROFIT BEFORE TAXATION Taxation	39.2 (17.6)	32.3 (14.1)
GROUP ASSETS	£4,347.3m	£3,676.2m	NET PROFIT Dividends	21.8 10.0	18.2 9.6

term loans to industry and commerce, found new business difficult to obtain in 1981 and loans completed arguinted to £15.5 million.

A P Bank confirmed to make good progress in 1981, with business expanding in all departments and its balance sheet total rising to £250 million.

**NWGroup** The Norwich Winterthur Group produced a pre-tax profit of £6.2 million compared with £4.0 million in 1980, and wrote a total premium volume

in respect of their reinsurance and direct business overseas of £172 million, an increase of 28.4%.

Extracts from the Statement of the Chairman, Norwich Union Insurance Group

the Directors' Report and Group Account from the Norwich Union Insurance Group,

The Ameral General Meeting of the Nonwick Chien Life Insurance Society will be held on 18th May 1982 in Norwich.





MINI

ting sie & ie. imit

Weir Group—pumps, power plant auditaries, steel castings, metal pattern equipment, water desalination plant, contract engineering. Group companies employ 5,500. Subsidiaries and associate companies in Canada, Assistalia, France, Italy, Spain, Netherlands, Middle East, Far East and Nigeria.

Copies of the Report and Accounts
may be obtained from the Secretary,
The Way Group PLC, Cathoda, N. 19

THE WEIR GROUP PLC

The benefits of the measures taken to close loss-making plants and

to reduce costs began to show early in 1981. During the year better cost control and pricing policies had a beneficial effect and marketing efforts were intensified.

were intensified.

Weir Pumps returned to profitability and achieved significant reduction in working capital and borrowings. Orders received increased to £93 million, with a substantial increase in export orders.

The demand for steel castings improved slightly. This, with increased exports from Catton. Jopling and Holbrook, and duced a marginally-better return for the Foundries Division:

Weir Westgarth had a good year but weining large new desalination.

contracts. The company is extending its operations into other contract engineering business and has obtained its first major order.

Group policy is aimed at further reductions in borrowings.

PROSPECTS
The recovery of the Group has been rapid. It is now consolidating the gains made and is in good shape to benefit from any improvement in domestic or world trade. Even if there is no such improvement in 1982 the Group results for the year should be broadly similar to those of 1981.



Extracts from the Statement by the Chairman, J.E.H. Collins, MBE, DSC



Results and Dividends The results reflect the extreme competition experienced by the insurance industry in most of the territories in which the Group operates. There has been a satisfactory growth in investment income.

The Directors are able to recommend the payment of a final dividend which, with the interim dividend paid in January 1982, will constitute an increase of 12.9% compared with the dividends paid in respect of the year 1980. The interim and final dividends for 1981 are payable on the ordinary share capital as increased by the shares allotted under the rights issue in June 1981. After allowing for the dividends, £29.7m has been transferred to retained profits.



United Kingdom The severity of market competition made premium growth difficult to achieve. We expect competition to become more intense and any margins in the account are likely to be under increased pressure during 1982. Even in the light of the serious losses in the marine and aviation markets over the past few years there appears to be very little contraction in international capacity, which is being fuelled by the high interest rates available in many parts of the world. This state of affairs



gives every sign of continuing.

Other Territories Germany has again produced an underwriting loss, but I feel that the considerable efforts that have been made are

beginning to show signs of improvement.

The Canadian market has suffered a complete breakdown in rating disciplines at a time when claims frequency has increased to an unprecedented level, but a satisfactory result has again been achieved in the United States.

Trading conditions in Australia continued to be unsatisfactory with the consequences of market indiscipline being felt by both the direct writing companies and their reinsurers. After many years of profitable short-term business in South Africa, the whole market deteriorated dramatically.



Life Sales of life assurance policies were more buoyant during the year than expected. New annual premiums increased by 13% and new single premiums were 64% up. The efforts made to improve our efficiency have been reflected in

United Kingdom in the early months of 1982 will be extremely difficult

significant expense savings flowing from completion of our computerised integrated life system.

Prospects There are expectations for improved results in 1982 especially in Australia, Canada, Germany and South Africa despite local market conditions. The severe weather losses reported in the



Copies of the full Annual Report for 1981 are obtainable from The Secretary, Guardian Royal Exchange Assurance plc, Royal Exchange, London EC3V 3LS.

### Guardian Royal Exchange Assurance

An insurance service worldwide

SCOTTISH PROVIDENT

good performance the offer prices at 1st January 1982 were USO and 1320

ist January 1982 were 1883 and 1970 respectively compared with 100 at 1st January 1981 and both funds were a clear first in recognised comparative performance tables for the year 1981—

a capital sum is invested for a univest period to provide a high income with the capital returned in full at the end of the pen years subject to normal beauses being

Under our Executive Incentive Plan, an employer can fund (with full corporation tax relief) the effecting of an open-ended

endowment policy by a key executive, the proceeds of which are the executives to

mjoy in his own right (completely exclo

provided he completes the period of service specified in the simple governing

the needs of the times. I know our

subsectated places steams on whose

support over the years we are glad to rely.

agreement.
The Scottish Provident has communicated to produce new types of policy and new adaptations of existing policies to meet

New products

Copies of the Report and Accounts are available on request from the Head Office, Aguas of the report and recounts are available on request from the riest Omice. The Scottish Provident Institution, 6 St. Andrew Square, Edinburgh EH2.2YA.

SCOTTISH PROVIDENT

Continuing to meet the needs of the times

Points from the Statement by the Chairmon. Mr. James A. Lumsden, MBE, TD, DL, LLB

We have maintained the rate of

We have man namediate-profits assurance classes at £5: per amount has this beaus now compounds every year instead of every three years, its value is significantly increased. A bottus rate of

£5% per amum compounding arms equivalent to a booms of £5.25% per

deferred annuries and the E Type Retirement Benefits Plan, the rate

rading trien Similarly for self-employed

bonus has been maintained at £7"; per

of our investment position enabled us to introduce claims bonness for "self-employed" deferred annuiries and the

boruses at the beginning of 1982. Scottish Provident Managed

Pension Funds Limited I am glad to report that our

E Type Plan with effect from 1st July 1981.

and to increase these and all other claims

subsidiary company, Scottish Provident Managed Pension Funds Limited, has had

a most successful first year. Total funds

under management at the end of 1981 exceeded £46 million. The mixed and

calent to a boous of

Record annual bonuses

### Hoover losses reduced to £1.9m in first quarter

directors of Hoover and group losses in the first three months to March 31 1982 show a reduc-tion from last time's £3.4m to £1.92m.

Although market conditions remain difficult it is expected that lower cost base and the introduction of new products will improve the financial position as the year continues, Profitability was restored in

Profitability was restured in Europe, they say, as a result of a continuing improved sales trend and the effect of reducing costs as part of the group recovery programme. Trading conditions in Australia were adversely affected by national labour unrest, electricity restrictions and rising interest rates. tions and rising interest rates.

In the UK, the severe weather in January had a significant adverse effect on sales. However, a satisfactory level was restored in February and March.

In spite of continuing difficult

in February and March.

In spite of continuing difficult
marketing conditions, improved
sales were achieved in many
overseas countries following the

The major re-organisation plan in the UK is progressing but the full benefits of manufacturing at only two plants will not be obtained upon the state of the stat only two plants will not be obtained until the dissure of Perivale is completed by mid-year (as planned) and the company concludes a plant agree-ment with the Cambuslang

ment with the Cambuslang employees.

First quarter sales of this maker of domestic appliances were down by £6.59m to £44.29m. Trading losses of £916,000 (£160,000) were made np of the company and its subsidiaries at £1.08m (£25,000), and 50 per cent of Hoover (Holland) and its subsidiaries profits of £167,000 (loss £135,000).

Group pre-tax profits were

Group pre-tax profits were struck after higher interest charges of £1m (£612,000). Redundancy and other rationalisation costs last time accounted for £2.63m.

Tax took less at £286,000

(£449,000) and tosses per share are given as 11p (19p). Comparative figures have been

Hoover's "dynamic new ha-ginning" is getting off to a slow start. Sales slipped badly in the first quarter, mainly due to the foul weather in January, however, rather than any dramatic underlying downturn in business. Losses have been rebusiness. Losses have been reduced, but by no means stemmed. The simmer, smaller version of Heover is still expected to improve this year and possibly break even by its end. At the moment, industrial relations remain key to this scenario. The company is fighting for a waye freeze in Scoting for a wage freeze in Scot-land, but on Tuesday produc-tion was halted by an electri-cians strike. The shares, up 5p to 105p, compared with net asset value of 365.7p, continue to discount these and other

### Weir sees broadly similar year

cern, has been rapid, Sir Francis 1.75p as "s prudent earnest of Tombs, the chaimsn, confirms

in his annual statement. shape to benefit from any improvement in domestic or world trade. Even if no such improvement occurs in 1982, Sir Francis expects group overce results for the year to be sud to "hroadly similar" to those for Also

He is confident that the efforts which made the recovery possible will remain undiminished, providing prospects for "some modest improve-ment."

However, the chairman warns that conditions in ,UK engineering remain difficult and that the recession at home is showing no signs of abating, at least in relation to capital goods. He adds that the increasing export business which the group needs has to be obtained in developing new markets and extending established ones in the face of intense competition.

As reported on March 31 the group turned a pre-tax loss of £3.25m the previous year into a profit of £8.3m in the 12 months to January 1, 1382. Dividends totalled 1.85p (nil)

CARD STATE COMMERCIAL CO.

THE RECOVERY of Weir With the group now operating deferred until 1988 the repsy-Group, the engineering on a stable basis Sir Francis ment of £1.6m due in 1981. foundries and water plant con- regards the final dividend of As part of the reconstruction

a far-reaching credit agree-ment and a trust deed were the group's freedom of com-mercial action but as it continues its return to prosperity removal of these constraints will be a major objective.

The annual meeting will be in Glasgow May 26.

### Good second half boosts Hopkinsons

THE SHARP recovery seen by Hopkinsons Holdings at midyear continued through the second six months and for the year to-Jamury 29 1982 the group returned taxable profits of \$3.40m, compared with £1.65m.
First half-profits were £1.66m, against a loss of £94,060 previously.

The directors are proposing a scrip issue on a one-for-six basis and state that a final dividend of 4.15p will be paid on the enlarged capital, making a net total equal to 5.4957p, which compares with an equivalent of

Full year turnover of the group, which makes boiler mountings and valves, improved to 554.71m (544.01m) and trading profits were 53.71m (52.12m). The pre-lax figure was struck after bank interest less investment income of £221,000 (£466,000). Tax took £881,000 this time against a credit of £15,000. At the attributable level profits were £941,000 shead at £2.61m.

share of 23.11p (14.7p).

Current cost accounting reduces the taxable surplus to £937,000 (£391,000 loss).

The previous year's cost cutting and tighter financial management helped pull Hopkinsons out of its profit trough in 1951-82. Pre-interest profit margins were nudged np 2 points to 6.8 per cent though still way below the level of the golden years of 1977 and 1978. Better stock control and restoration of the debtor/creditor balance showed through in lower horrowings with benefit in lower borrowings with benefit to interest costs. Though now fitter and slimmer the company is still operating at nowhere near its potential capacity. White the home market remains weak it must continue to chase more

reduced margins: .:

per share this time — last time carnings per 10p share were given as 2.5p.

On a curren toost basis pre-fax losses were higher at £382,077.

BOARD MEETINGS

	Associated Paper Industries	way	•
	Borthwick (Thomas)	May	:
	Conzent	Y. 87	3
	Cowre (T.)	May	
	Gooden		
	Hapworth (J.)	Mev	
	Keisey Indostries	May	2
	Mare Engineering	May	4
	Nerth Adantic Secur ties		ī
	Pochin's	May	
	Scottlett Netronel Trust		2
	Tate and Lyle		2
	Wasico		
	Wheaton		1
	Finals.		
	Elbar Industral	Blow	•
	French Ker		
	Henderson (P. C.)	Mar	-
	Heral Box	Luna	-
	Manufacture of tentral	Mar	4
	Mowiem (John)	24.5	- 1
	Porter Chedburn	Ad an	•
	POTES CALEBOOK	May	-
	Sansbury (J.) Scott sh Rentable Trust	Man	-
	Seatt an Markey Trus:	Mary	
	Seccombe Marahall & Campion	May	;
	Shires Investment	ATBY.	
•	Sound Different		- 3
	Summer (Francis)		
	Tiggs Data and Mst.ons' Military		- 3
	UDS	May	•

overseas business — which amounts to at teast 43 per cent of total sales. But to do thus it must be of a size to capture suboverseas contracts. It is having some sucress here but the group is looking to 1983 for any significant upturn in its performance Yesterday the shares rose Sp to a 12-month high of 120p. yielding 7.5 per cent cum scrip.

### S. Simpson back in the black

REPLECTING THE benefits of reorganisation. S. Simpson. reorganisation. S. Simpson, tailor and clothier, has swon; hack into profit with pre-tax figures of £235,000 for the halfing division remained static with Depreciation this time came to reor to January 31 1982. In the corresponding period last year this "close" company mourred losses of £387,000 and hlamed the "considerable costs" of reorganisation. Turnover rose from £10,65m to £11,16m. £124,000. There was a tax credit of £551 (debit £5,151) and a deferred tax credit of £33,704 (charge £28,984). The deficit taken to reserves emerged at £187,764. Spainst a previous surplus of £106,341. There were no stated earnings The interim dividend is raised from 1p to 1.3125p—last year's total was 3p from pre-tax losses

of £159.000. Tax for the first- half was £\$0,000

#### completed with the banks which He points out that the gains tially disastrous situation at the made are now being consoliend of 1980 . . . was averted by imposed, and continues to impose, extensive constraints on dated and the group is in good a group capital reconstruction. shape to benefit from any This reconstruction was accom-

confidence in the future."
Sir Francis says the poten-

panied by a provision by a con-sortium of banks of mediumterm credit facilities of £12m, overdraft facilities of £8.6m and bonding facilities of £17.1m.

### Shiloh reduces

DESPITE disastrous trading conditions, made worse hy s further deterioration in margins caused by even more severe competition from imports, Shiloh Spinners has reduced its operating loss in the year ended March 27, 1982 from £295,542 to £166,246. Again there is no divi-

As a result of the two mill closures the directors feel it should be possible to contain the situation more effectively in-the coming year, "but there is still no sign of any improvement. the spinning side." Cost of closures came to £273.670 Group turnover for the year was litle chaoged at £8.54m. The was struck after deprectation of £109,155 (£125,492), bank interest £101,350 (£118,716), and (nil). There is no tax this time, dividends. against a credit of £117,934.

### Remedies begin to show through at Downiebrae

ACTION taken in the first half at Downiebrae Holdings, maker of steel profiles and pipe fianges, was vindicated with second half losses being contained at £27,000 according to Mr W. Peacock, chairman. The total loss for 1981 was £221,000. of steel profiles and pipe flanges, was vindicated with second half losses being contained at £27,000 according to Mr W. Peacock, chairman. The total loss for 1981 In the previous second half

losses stood at £2,000, and the full year surplus was £205.452. The directors are again not recommending a dividend—the last payment was an interim of 0.9p last year.

"Prospects for 1982 remain uncertain," says Mr W. Peacock, "though the rate of improvement apparent in the latter part of 1981 has continued in the first quarter of 1982." He adds that the group's facilities are geared for a considerable increase in volume

Should trading factors con-tinne to improve the directors

The disposal of two companie.

### BANK RETURN

112,844,678 112,844,578

	Wednesday April 28 1982	Opcrezes ()
BANKING	DEPARTMEN	T
Liabilities Capital	14,553,000 36,572,051 571,933,146 1,666,636,988	£ 1,979,753 + 14,574,681 + 17,787,775
	2,289,595,185	+ 50,582,703
Assets Government Securities Advances & other Accounts Premises Equipment & other Secs. Notes Coln	467,022,755 1,116,796,576 685,404,867 20,147,277 223,023	+ 120,345,000 148,182,323 + 65,185,446 6,980,214 + 14,794
·-	2,289,595,185	+ 30,582,703

10,650,000,000

	ING RATES
A.B.N. Bank 13 % Allied Iriga Bank 13 % American Express Bk 13 % American Express Bk 13 % American Express Bk 13 % Henry Ansbacher 13 % Henry Ansbacher 13 % Associates Cap. Corp. 13 % Banco de Bilbao 13 % Banco de Bilbao 13 % Bank Hapoalim BM 13 % Bank Hapoalim BM 13 % Bank Hapoalim BM 13 % Bank Leumi (UK) plc 13 % Bank of Cyprus 13 % Bank of N.S.W. 13 % Bank of N.S.W. 13 % Bank Street Sec. Ltd. 14 % Bank of N.S.W. 13 % Bank of N.S.W. 13 % Bank Belge Ltd. 13 % Banque du Rhone et de la Tamise S.A. 13 % Barclays Bank 13 % Beneficial Trust Ltd. 14 % Bremar Holdings Ltd 14 % Brit. Bank of Mid. East 13 % Brown Shipley 13 % Castle Court Trust Ltd. 13 % Castle Court Trust Ltd. 14 % Cayzer Ltd. 13 % Cavendish G'ty T'st Ltd. 14 % Cayzer Ltd. 13 % Choularions 13 % Cooperative Bank 13 % Cooperative Bank 13 % Cooperative Bank 13 % Corinthlan Secs. 13 % The Cyprus Popular Bk 13 % Corinthlan Secs. 13 % Eagil Trust 13 % Ext. Trust 13 % Ext. Trust 14 % First Nat. Fin. Corp. 15 % First Nat. Fin. Corp. 15 % First Nat. Secs. Ltd. 15 %	Grindlays Bank 113 % Guinness Mabon 12 % Hambros Bank 12 % Heritable & Gen. Trust 12 % Heritable & Gen. Trust 12 % Hill Samuel 513 % C. Hoare & Co. 113 % Hongkong & Shanghai 13 % Knowsley & Co. Ltd. 12 % Knowsley & Co. Ltd. 12 % Knowsley & Co. Ltd. 12 % Lloyds Bank 13 % Mallinhall Limited 13 % Edward Manson & Co. 14 % Midland Bank 13 % Samuel Montagu 13 % Samuel Montagu 13 % National Westminster 13 % Norwich General Trust 13 % P. S. Refson & Co. 13 % Roxburghe Guarantee 13 % E. S. Schwab 13 % Siavenburg's Bank 13 % Standard Chartered 13 % Trustee Savings Bank 13 % Winterway Laidlaw 12 % Williams & Glyn's 13 % Wintrust Seez. Ltd. 13 % Tody deposits on sums of undercomminge. 7 day deposits on sums of undercomminge. 7 day deposits on sums of undercomminge. 10 % 10 % 11 % 2 deposits filoso and even 11 % 2 Call deposits filoso and even 11 % 2 Call deposits filoso and even 11 % 3 % Openand dappaats 10 % 3 % 3 deposits filoso and even 11 % 3 % 4 Call deposits sver filoso 11 % 5 0 mand dappaats 10 % 5 0 mand commingen 12 % 5 0 mand commingen 13 % 5 0 mand commingen 13 % 5 mand co
Robert Fraser 14 %	1 Martgage base rate.

### S.Lyles plc

Carpet Yarn Spinners and Dyers

Interim Report

The unaudited results for the half-year ended 31st December, 1981,

	Half year to 31.12.81	Half year to 31.12.80	Year to 30.6.81
	£	3	£
Tumover:		•	
Home	3,447,985	3,303,155	6,735,642
Export	2,107,524	2,256,556	4,856,198
	. 5,559,509	5,559,711	11,591,840
Profit before taxation	256,929	202,364	637,695
Taxation	84,000	(70,000)	(80.868)
Profit after taxation	172,929	272,364	718,563
Preference dividend	19,975	19,975	39,950
	152,954	252,389	678,613
			-
Earnings per ordinary ehare	4.21p	6.95p	18.68p
Earnings per ordinary share prior to release of deferred taxation on stock relief	4.21p	2.90p	10.610
Shortly offer man anti-			

Shortly after reporting in my last statement an improvement in trading conditions, the imposition of higher interest rates started to have an adverse effect on our home market. This, together with the appailing winter weather, caused our home volume to be reduced to such an extent that further redundancies were made in February. and their cost was therefore met during the current six months. Our home trade has since improved somewhat and exports remain

In order to reduce the disparity between Interim and Final Dividends. the Interim Dividend is increased from 2p to 2.5p per share.
An interim Dividend of 2.5p per share (1981: 2p) amounting to
£90,797 net of imputation is a has been declared for the current year and will be payable on 1st June, 1982, to shareholders on the register at the close of husiness on 13th May, 1982.

JOHN LYLES, Chairman 26th April, 1982



Earlsheaton, Dewsbury WF128LX

#### Watmoughs (Holdings) PLC

Printers by gravure and web offset Year to 31 December 1981

**GROUP TURNOVER** £17.226 million (1980 £15.082M)

PROFIT BEFORE TAX £1.526 million (1980 £1.716M)

DIVIDEND PER SHARE (NET) **5.45p** (1980 5.25p)

Four year investment programme amounting to £13.350 million completed in 1981. The group is now well placed to secure further expansion of its specialised interests in mail order, periodicals, security and packaging.

Report & Accounts available from the Secretary, Idle, Bradford, West Yorkshire 8D19 8NL

ond half

#### **UK COMPANY NEWS**

BIDS AND DEALS

### Builder's

scheme sanctioned

THE SCHEME of Arrangement set up by the joint receivers of Northern Developments (Holdings), the second biggest house-huilding company in the UK when it collapsed in 1975, bas heen sanctioned by the High Courts in England and Northern Ireland and the Court of Session in Scotland. The Scheme became effective on March 31.

Details of the Scheme were published in December by two of the joint receivers. Mr Rupert Nicholson and Mr Jim Butler of accountants Peat. Marvick, Mitchell. They said yesterday that Northern Developments had been a lengthy and mens had been a lengthy and complicated group receivership miniplying some 25 sub-sidiales and 3,500 secured and unsecured creditors—"hut the evential outcome for all creditirs is likely to be most satisfatory." satisfatory.

The Administrators of the Schem are Mr Butler and Mr J. B. farton, a third partner of Peat. Marwick, Mitchell. Funds available for the repayment of crediton will be passed to them in constitution with a Scheme Committee and they will he responsible for their distribution.

It is blended that Priority claims—these agreed for less than £25—and Category A claims—these attaching to cerclaims—the attaching to cer-tain of the group's subsidiaries which appear solvent—will be immediately paid in full accord-ing to divided announcements by the compittee on April 7.
Other claims will be half paid immediately a agreements with the halance tohe paid "as asset realisations pipeeed."

#### David Scott closing shoe operations

The David cutt Group is to close its sho manufacturing operations in August with a loss of 320 loss and a view in reducing its high hack borrow-

ings.
The compay was unavailable for comment last night but it is understoot that the decision to end shoe banufacturing and to sell the whiesale distribution husiness was inconnected with the acquisition of 20,77 per cent of the compay's equity by First Humblit which is a privately owne Northsuptonshire based gaige chain.

Before the appuncement was made trading 1 David Scott shares was sustanded, but on resumption the rice fell 11p to close at 23p. (The company intends to concentrate its efforts in the future on idustrial heating equipment an promotional

David Scott incred a pre tax loss of £367.00 for the six months to July 1 1981 and omitted the intermitividend. The company islanly pro-duces medium piced men's shoes and has not eveloped lis other non-footwea ellivities to the point where the could have offset the slive humess losses.

#### ASSOCIATES DEAL

s pic

Morgan Grenfellas an associate of Bodland is purchased on helialf of historianary clicots 65,000 Redind ordinary

### Tenneco launches big divestment programme

BY SUE CAMERON, CHEMICALS CORRESPONDENT

TENNECO, THE U.S. con-glomerate, yesterday announced the launch of a \$400m (£224m) divestment programme.

divestment programme.

The group also confirmed that oen of its first sales would be the Bush Boake Allen flavours and fragrances division of Albright and Wilson, Its UK chemicals subsidiary, which is being bought by Union Camp of the U.S.

Tenneco also plans to sell oil and gas properties in Canada and gas properties in Canada and said it boped deals on these

centre on businesses which it believes dn not bave strong profit potential. Last night, none of the com-panies involved would say how much was being paid for Bush Boake Allen. Analysts estimate that the price is likely to be about £15m, but some suggest

would be completed aoon. The divestment programme will

#### £1m Fountain buy-out

A flm management buy-out has mission although the ordinary been arranged for the sale of offer remains conditional on A film management buy-out has been arranged for the sale of Fnuntain Forestry, the forestry management subsidiary of Stewart Wrightson Holdings, the insurance broking group. Fountain Forestry's executive directors will hold the majority of the equity in the resulting new company—Fountain Forestry Holdings—while other shareholders will include Sharp Unquoted Midland Investment Trust (SUMIT), the Birmingham based venture capital concern. Fountain Forestry's pre-lax profits were £222,000 in the year to last September 30,

#### TRICENTROL

Tricentrol, the independent North Sea oil company, has gained acceptances from bolders of SS.1 per cent of the ordinary shares of CCP North Sea Associates, the London-based oil exploration company quoted on

the USM.

Tricentrol received acceptances equivalent to 6.91m existing CCP shares. The Tricentrol offer, which was recommended by the CCP board is for 7 new Tricentrol shares and 700p cash for every 10 CCP shares. The offer deadline has been extended to May 19. CCP is valued at about £16m.

The Office of Fair Trading has told Tricentrol btat the acquisition will not be referred to the Monopolies and Mergers Com-

after a suspension of almost nine

months as the former hosiery and knilwear group comes back

to the market in vastly different

Given shareholders' approvat

At an extraordinary meeting oo May 18, the last of the group's

knilwear subsidiaries will be sald to its management, and

Stewart Nairn will acquire sub-

Tenneco is known to he anxious to reduce its bigb interest charges and to raise extra cast to invest in its more extra cast to invest in its more profitable businesses.

There has been speculation that it would try to sell off the whole of Albright and Wilson, which It bought only in 1978, which libought only in 1978, particularly as its chemicals operations have been showing a low return compared to some of its other businesses.

But vesterday Tenneco said it

But yesterday Tenneco said it intended to cootinue and develop Albright's other businesses and did "not contemplate any further sals of Albright and Wilson divisions."

Bush Boake Allen bad sales of School better the sale of School S

£63.9m last year and a trading profit of £2.3m. It employs 2.000 people and its beadquarters is at Walthamstow in East London. H has substantial overseas interests, including a U.S. subsidiary with plants in New York and New

Energy Department assurances that the acquisition will not affect CCP's North Sea production licences.

An extraordinary meeting of CCP is to be held today on the capital reorganisation of the company prior to the takeover becoming unconditional.

BRAZILIAN COMPANY

International Paint the 88 per cent owned subsidiary of Courtaulds, has purchased Litovert Tistas Graficas, a Brazilian

packaging coating manufacture for US\$5m (£2.8m)

The acquisition boosts Inter-national Phint's presence in Brazil and it plans to manage

Litovert as a separate company in addition to the existing two

subsidiaries it has in the

DEALINCS in Slewart Nairn are ber of the United Arab Emirates ments.

Federation and in Pennsylvania. The closures and disposals

Federation, and in Pennslyvania.

bas been closed and most of its

assets bave been sold for casb. The Syton Products and Maid-menl Knitwear companies bave

been sold to one of the Maidment directors for £100. The sale, for a nominal sum; of these sub-

sidiaries rather than disposal of their assets is explained by their

low estimated value io relation

The Sunbro Hosiery offshoot

New-look Stewart Nairn set for return

INTL. PAINT BUYS

#### Sketchlev on verge of pulling out

rances would combination."

Sketchley is understood to bave failed in its attempt to gain cootrol of the sbares in Means Incorporated, lendered to the rival bidder, ARA Services, and is on the point of bowing out of its \$40.6m offer. Sketchley's \$33 per share bid expires at 9.00 am New York time today and will not be extended.

not be extended.

ARA announced yesterday that the request hy the U.S. Department of Justice for a temporary restraining order preventing payment for the 86 per cent of Mean<sub>5</sub> shares tendered to it at \$37 per share bad beeo denied

by a Federal District Court in Columbus, Ohio.

ARA promptly brought in the shares and Sketchley now recognises that any later attempt to lodge a successful divestment order would be a substantially per cent 2f the International porary restraining order.

Paint portfolio. Litovert has a modern production plant as a modern production plant between production plant between production plant between proposition to a temperature proposition to

#### WELBECK INVS.

An approach "which may lead to a formal offer" has been received by the board of Welbeck Investments, the financial services, textiles and printing group—formerly known as Corinthian Holdings. The shares closed up 3p at 45p. Welbeck strongly advise shareholders to take no action pending a further communication from the board.

sufficient notice of this meeting was given. Accordingly a oew EGM has been convened and will take place at 9.30 am on May 24 1982 at Plaisterers Hall, EC.

SHARE STAKES

English China Clays — Lord Aberconway, a director, has disposed of 25,000 ordinary

leave Stewart Nairn as a small cash shell before the injection

of a property portfolio by Bukhatir Investments.

Sharjah-based and wholly-

owned by Mr A. R. Bukhatir, the chairman of the National Bank of Sharjah. BIL is to receive

52.33m for a 50 per cent interest in Al Hambra Villas, a residen-tial development in Eastern

### Nearly 40% of **Empire Stores** committed to GUS

Jersey,
Union Camp, primarily a pulp
and paper concern with chemical
interests, had sales last year of

overseas, particularly in Europe. This year it bought a tail oil plant in the North East of England from BOC. England from BOC.

The sale of Bush Boake is subject to any necessary approval from governments and from the boards of Tenneco, Albright and Union Camp.

Albright said yesterday that Union Camp's raw materials position and Bush Boake's expertise in flavours and fragrances would "make a strong combination."

### Blackwood disposal

receivership since last October, has sold its BMK Axminster, Wilton and Tufted plant at Kilmaroock to Mr John Logue, an English businessman who has worked closely with the receivers to reorganise the com-

pany. Blackwood lost £3.75m last per and the shares were suspended at 9½p when the Royal Bank of Scotland called in two partners of Deloitte Haskins and Sells as receivers.

The Kilmarnock plant, employing 200 after sweeping advertises is almost the sole

redundancies, is almost the sole surviving part of the original Blackwood Morton.

Mr Logue, a former manage-ment consultant who owns his own private engineering com-pany based in Stroud, will be BMK's oew chairman and colef

Due to problems with the despatch of the circular dated April 27 1982 to Redland share-boiders, which contained the notice of an EGM of Redland to he held on May 20 1982, insufficient notice of this meeting was given. Accordingly 2 08W

share in a 661-acre industrial development site in the Great

Valley Corporate Centre in

Chester County, Pennsylvania. Stewart Nairn's sbares were

suspended at 10p in August last year but, after a year of con-tinued losses and substantial write-offs against asset disposals.

the consideration for the property portfolio is to be satisfied by the issue of 31.96m new

shares to BIL at 5p par value and the issue of £729,000 of

Great Universal Stores has with a view to a possible counter-trengthened its grip on Empire bid, acknowledged yesterday that the GUS's swift market action had coulsition of a further 14.68 per ent of the catatogue mail order ing effective alternative terms, strengthened its grip on Emplre Stinres (Bradford) with the acquisition of a further 14.68 per cent of the catalogue mail order

£37m share offer, GUS's £37m share offer, launched hast week, has already been assented by the board and family interests in respect of 9.48 per cent of the equity, while institutional holders entered into purchase and sale contracts to sell a further 15.31 per cent.

unless the deal is referred by the Office of Fair Trading to the Monopolies Commission. GUS understands that the OFT will announce its decision in the

GUS's financial adviser, S. G. Warburg, acquired the 14.68 per cent holding on behalf of the bidder at 113.1p per share cum dividend and sold them on at the same price. GUS issued GUS now controls or can speak for 39.45 per cent of Empire and expects to publish its formal offer near the end of next week.

Sears Holdings, which has been watching developments closely

Blackwood Mnrtm and Sons, shares, reducing total holding to the carpet manufacturer in 2.769.446 shares (less than 1.7 receivership since last October, has sold its BMK Axminster, Beradin Rubber Estates—

250,000 2,500,000

Czarnikow Group has reduced lisholding to 1.485.000 ordinary shares (10 per cent).

Conder International — R. T. Cole, chairman, says that discretionary family trusts, of which he is a truster with no hardhe is a trustee with no bene-ficial interest, have docated 150.000 ordinary shares to his two children. longer hold any sbares.



#### THE EAST LANCASHIRE PAPER GROUP LTD.

Extracts from the statement of the Chairman, MrC.G. Seddon

"The Group's profit of £569,109 for 1981 reflects the effects of weak demand and severe cut price competition. A more significant recovery in the Group's performance during 1981 has been hampered by the substantial reorganisation within the Merchant Group coupled with the need of E.S.M. (formerly Waldorf Stationery and Greetings Cards) to continue trading longer than anticipated in loss making lines in order to ensure the sale of the gift stationery side of the business.

"After a slow start in January business is now picking up with improved results coming through although there is no indication of a consistent improvement across all sectors of the Group's

#### The year in brief 1980 £'000 38,563 103 Profit before taxation 225 Distribulable profit Ordinary dividends 151 Earnings per share 14.5p Dividend pershare

Copies of the Annual Report and Accounts can be obtained from the Company Secretary. The East Lancashire Paper Group Limited, Church Street East, Radcliffe, Mancheater M26 9PR.

This Advertisement is issued in connection with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or to purchase any securities of the Company,

Tumover



Incorporated under the Companies Acts 1948 to 1967. Number 1064763

SHARE CAPITAL

Authorised

675,000 1,575,000

54.6 per cent. Cumulative Convertible Preferred shares of 25p each

Ordinary shares of 25p each Unclassified shares of 25p each

675,000 1,575,000

2,250,000

Issued Fully Paid

Application has been made to the Council of The Stock Exchange for the whole of the issued 2,700,000 54.6 per cent. Cumulative Convertible Preferred shares of 25p each in the capital of the Company to be admitted to the Official List. Particulars of the Company are available in the statistical services of Extel Statistical Services Ltd., and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays and Bank Holidays excepted) up to and including 14th May, 1982 from:

SHEPPARDS AND CHASE

Clements House, Gresham Street, London EC2V 7AU.

# Thyssen Information

stantial property assets in to book costs and the likelihood Sharjah, the third-largest mem- of substantial reducedancy pay-

In fiscal 1980/81, the Thyssen Group had to vercome a sharp slump. The aggravation of the European stee crisis severely affected our stell and specialty steel divisions. In the capital goods and manufactured products division, structural problems in certain domestic business sectors still led to considerable burdens; abroad, the continuing sack US demand for cars had adverse effects. The trend in our trading and services division remained gratifying. This also holds true fcr income from profit and loss transfer agreements. All in all the 1980/81 result was not satisfactory.

Thyssen AG's net income after release of Group reserves totalled DM 52 million. On March 26, 1982, the stockholders' meeting decided to use this amount for a cash dividend of DM 2.00 per nominal DM 50.00 share, i.e. 4% In addition, foreign stockholders will be reimbursed DM 0.23 per share by Bundesamt für Finanzen.

The overall economic situation so far has not improved during the current 1981/82 fiscal year. This holds true for the Federal Republic of Germany as well as worldwide. Nevertheless, the prospects for the Thyssen Group have improved.

Steel sales during the first five months of fiscal 1981/82 increased by 16%. With shipments practically remaining at last year's level, the increase in sales is therefore due to better revenues per ton. EC steel market regulations will be continued. The steel industry needs prices for its products with which it can operate economically. Otherwise it will suffer a decline in its technical efficiency. Thyssen's specialty steel division has wellbalanced capacities, a high-grade product mix and a close-to-thecustomer sales organization. During the past few months of fiscal 1981/82 sales have risen by 2%.

Thyssen industrie is making progress. In particular as a result of several major export orders. Thyssen Industrie's orders on hand totalled DM 5.5 billion at the end of February. For the present fiscal year we are anticipating improved earnings.

Sharjah, four units in Industrail subordinated convertible loan Area 4 in Sharjah, and a half notes.

The present situation of The Budd Company, our US subsidiary, is markedly influenced by the US automobile crisis. Budd's production facilities are being further streamlined. Because of its technical potential and its good market position, the company anticipates a significant improvement as soon as US car purchases rise again.

Our trading and services division continues to fare well. Thyssen Handelsunion is today operating worldwide in a great number of branches. During the

first five months of fiscal 1981/82 sales went up by 25%. In the international plant engineering business, orders on hand have so far reached more than DM 5 billion.

During the past few months of fiscal 1981/82, Thyssen's external sales worldwide have averaged DM 2.5 billion per month, i.e. 15% up from last year.

Thyssen worldwide 1980/81 (October 1, 1980 - September 30, 1981) Total sales of the divisions Labour force: Steel DM 8.4 bill annual average 149,800 DM 3.0 bill Specialty steel Capital goods and From the balance sheet manufactured products DM 9.3 bill Balance sheet total DM 18.1 bill Trading and services DM 14.6 bill. Equity DM 3.1 bill Total sales Capital expenditure DM 1,227 mil Thyssen Group DM 35.3 bill Intercompany sales DM 7.1 bifL Depreciation & amortization DM 1,081 mil External sales DM 28.2 bift Thyssen Group Dividend 52 ma



THYSSEN AKTIENGESELLSCHAFT

Notice is hereby given that, in accordance with the terms of the General Bond, 1,338 Boods of \$1,000,00 Spayment at pur ou the list June 1982 in full scalement of the instalment of the Solidae Fund Atta Let June 1980

Bonds draws in the presence of Mr. R.G. Rosser, Notary Public and Mr. T.G. Abell, Director of Basing Bro opspace, London ECEN 4AE. 21st April 1982

#### COMPANY NOTICES

COMPAGNIE FINANCIERE DE SUEZ SOCIETE ANDNYME WITN A CAPITAL OF 1.421.698.500 FRENCH FRANCS Neadouarters: 1, Rua D'Astorg - 75008 Paris. NOTICE TO HOLDERS OF 7% CONVERTIBLE DESENTURES DUE 1983

avment of principal and interest and other incidental expenses are teed by the Resublic.

The gayment of principal and interest and other incidental expenses are puaranteed by tha Resublic.

They ure negotiuble and ara listed on the Faris Stock Exchenge.

They use interest from January 1, 1082.

Interest will be paid on a semi-annuel bhalas, commencing July 1, 1882.

Tha rure of interest will be easel to the vate of return log French Governmental corrowings, whose principal end interest are not indexed and which are issued at a fund interest rate and have a majurity date greater than seven years, na determined in the Paris Secondary Market by Caisse des Depots et Consignations Buring the first twanti-the weeks of the semi-unneal period preceding such Setarmination and for the first payment period, the compilection govind will be trom lely 1, 1881, to December 22, 1931 and the compilection which will be gayable on July 1, 1982, will be equal to F.415.64 per F.5.000 orincipal amount and F.41.56 ser fraction of F.500, and

commencing Junuary 1, 1885, Caisse Nuripeale des Banoues will redemn these obligations at par, by lot (which results will be published in this jurnal Official). In fifteen epproximately recula annuel Instalmants.

The holoars of the T'-Convertible Oebentures due 1885 may exercise the

It is the interrion of Compagnie Financiere de Suto, pursuant to the option forth in the indentura. It call for indemption any Debentures mis submitted exchange. This indemotion would take glace in later than September 15. 2 and the indemption or circle would take glace in later than September 15. 2 and the indemption or circle would be the principal umpant of the Debenture a premium of 35 per Oebenture, plus secured interest to the redemption oate. Oue de L'indochine et de Suez and the designated gaying ugents will be to furnish Deberture Holders with information toncerning both the details of this excitange end. In particulur, the treatment of reactional COMPAGNIE FINANCIERE DE SUEZ

DE ERERS CONSOLIDATED MINES LIMITED U.S.\$27,504,000 & 12,5 TS-YEAR LDAN DF 1367 FINAL REDEMPTION

F. & C. ATLANTIC FUND S.A.
Registered Office:
LUXEMSOURG, 14. rus Aldringen
Registra de Commerca:
Luxembourp Section 8 5158

THE PHILIPPINE INVESTMENT COMPANY S.A. Registored Tithca: LUXEM8OURG, 14, ruc Aldringer

DIVIDEND ANNOUNCEMENT The Philipolae Investment Company 5.A. will pay a 10 cents US dividend per share on or after May 25th. 1982 to holderc on record on April 23rd. 1952. Ettares will be treded ex-dividend efter April 23rd, 1982.

Oa Esers Consolidated Mines Limited anguices that for the redemption period ending on 1st June 1982 it has purchased and cancolled donds of tha above Loan for U.S.181.000 nominal capital and tendered them, to tha Trustee.

Notice is accordingly hereby given that all the outstanding Bonds of this Loan amoghting to U.S.5.000 nominal Cacital, will be redeemed at tar pn 1st June 1982 from which date uil interest thereon will cease.

These Bonds may be prasented at the offices of the paying agents that dut on the reverse of the coupons in the manner specified in Conditions of the Conditions of the Loan printed the Ronds, or reasyment the Sonds and Printed and for payment of Interest the spallest Coupon No. 15 dated 1st June. 102.

N. M. ROTHSCHILD & SONS LIMITED New Coort.

S. Swithlim Lane, London EC4P 4DU, 30th April, 1982. The dividend is payable to holders of bearer sheres against presentation of coupon number 5 at:

BANQUE GENERALE
OU LUXEMBOURG S.A.,
27, avenue Monterey,
Luxembourg. The Board of Directors

DIVIOENII ANNIUNCEMENT
F. & C. ATLANTIC FUNO 8.A. will pay
a 15 cents U8 dividend gor share pin or
after May 6th, 1982 to helders on record
on April 22nd, 1982.
Shares will be traded es-dividend after
April 22nd, 1982.
The dividend is payabla to holders of
bezor shares against presentation of
bezor shares against presentation of
coupon humber 7 st:
--BANQUE GENERALE OU
LUXEMBOURG S.A.
27. avenue Moutarey.
Luxembours.

ond cheques in payment will and cheques in payment will be on pr after 30 June, 1082. By Inder of the Roard B. C. CRAGG, Secretary. Registered Office: 220 Commission.
Johannesburg.
South African Transfer Secretariese
Central Registrers Limited.
154 Market Street,
Johannesburg.
(F.D. 80x 4844,
Johannesburg. 2000).

**GREATERMANS STORES** 

LIMITED

NOTICE TO SHAREMILDERS
OFCLARATION OF PARTICIPATING
PREFERENCE DIVIOEND NO. 13
NITYICE IS HEREBY GIVEN that a
dividend of 5.4 cents per share (comprising a Perferential dividend of
5.5 cents and a Participating dividend
p 1.5 cents per share to perference
Shares for share to perference
Shares for share to perference
30 June, 1982, his months challed
the Board I Discover payable
the Board II Discover payable
the Board II Discover payable

The Grester London Council he anotice that Tenders will be rect the Chief Redistrar's Office, (I dings). Bank of England, Loza SEU, on Monday, 10th May, 112 moon for Greater London Bill Issued in conformity with the Grester London Council (General Powers) to the umpace of E35,000,000.

DATWA SZIKO INC. NOTICE TO EOS HOLDERS
This is to notify EOR Holders that at emeting held by the Board of Ofrectors of the Company, it was recommanded that a dividend of Yen 4.25 oer share.

LONDON TRADED OPTIONS April 25, Total Contracts 1772 Calls 1419 Puts 333

Extraise Closing Vol. Closing offer

Oct

Vol. Closing Vol.

349p

#### **EUROPEAN OPTIONS EXCHANGE** Vol. Last | Vol. Aug. Nov. Last Vol. Last Stock

Н	COLD C	\$325, \$350;	10 .	52 14.50 A	92	48 32	_	.~	\$347.7e
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#### **RESULTS AND ACCOUNTS IN BRIEF**

RESULTS AND ACC

FRIZZELL GROUP (ineurance, finance (—Results for 1881. Pre-tas orbits 53.1cm (52.54m); extraordinary credits f112,000 (debits £294,000); attributable profits £1.49m (251,000); attributable profits £1.49m (251,000); aemings per shere 8.7p (7.2p); dividend 2.75g (2.5p). Fined essets £3.96m (£2.28m); shareholders' lunds £9.88m (£9.04m); Chairman's emoluments £88.870 (£84.369).

S. JEROME & BONS (HOLDINGS)—textile manulacturer and electrical communication group—Results for 1981 end prospects reported April 5. Totel ahare capital and receives £3.67m (£3.49m). Fixed pasets £1.93m (£1.77m). Increase in working capital £286.000 (£57,000). Meeting: 8remhipe, Mey 20, 12.30 pm.

CHARLES HILL OF 9RISTOL (civil engineer, property developer, etc].—

Results for 1931 reported April 13. Shareholders' funde £1.81m (£2.22m); fieed eeects £1.45m (£1.48m); net current essets £256.970 (£832,931); decreasa in nat liquid funds and short term borrowings £236.314 (£362,430 increasa). Meating: 100, 01d 9roed Street. £C, May 20, 11 am.
LEC REFRIGERATION (rairigerator menufacturer)—Results for 1981 oub. LEC REFRIGERATION (rairigerator manufacturer)—Results for 1981 published Agril 9. Sharehpildare funda £12.28m (£10.23m), fixed assets £3.91m (£2.82m), nat current assets £3.91m (£7.39m), increase in working capital £862.000 [£986,000]. Meeting, Bognor Regas, Msy 21, 11.30 em. TOWLES (hostery and knitwear meker)—Results for year to February 28 1982: Overdend 2.1p (same). Turnover £10.99m. Trading profit £131,000. Extraordinary item £75.000, profit on eata pl trade investments. Tex credit £13,000.



April 30, 1982

Ente Nazionale per l'Energia Elettrica (ENEL)

SDR 100,000,000

Floating Rate Debentures due 1986

Extendible at the Debentureholder's Option to 1989 Guaranteed by the Republic of Italy

In accordance with the terms and conditions of the Debentures, notice is hereby given that for the Interest Period commencing on May 4, 1982 the Debentures will bear Interest at the rate of 13%% per annum. The interest payable on the relevant Interest Payment Date, November 4, 1982 against Coupon No.3 will be SDR 354,58333.

The US\$/SDR rate which will determine the US\$ amount payable in respect of Coupon No. 3 will he fixed together with the interest Rate for the period commencing November 4, 1982, on November 1, 1982.

> Fiscal Agent **ORION ROYAL BANK LIMITED**

companies MINING NEWS

### Energy interests keep Newmont in profit

BY GEORGE MILLING-STANLEY

Net profits came out at 11.81m (£6.65m) or 43 ceots a share, compared with \$30.77m or \$1.18 a share in the first quarter of 1981. The latest results actually advaoce against the last three mooths of last year, when Newmont bad oet profits of \$8.7m.

Newmont said that the first quarter performance reflects the cootioning and deepening worldwide economic recession. In common with most other copper producers in the world, several of the company's copper interests reported losses owing to poor demand and low prices, which continued to fall during out its stated intentions.

There has been some criticism

BOOSTED BY its energy in sharp contrast to other major oorth American miniog companies.

The company pointed out that of the decision to invest in the price of gold also declined, between the price of tors throughout the rest of the year. The quarterly divideod has

been reduced to 25 cents a share from the previous regular level of 40 ceots, in spite of the comparatively eocouraging per-formance. The directors said they were influenced by the lower level of earnings and the poor outlook for metal prices. London's Consolidated Gold Fields has reason to be pleased

was due to declining Ries, which resulted from poor ndus. trial demand for silver, led and

with its decision to be pleased with its decision to lovest a significant amount of money in Newmont, which haz taken the UK group's interest to 22 per cent. This will rise the 28 per cent some time after this September if Gold Fields carries out its stated intentions.

silver producers in the U.S. have outh reported losses for the first

virtue of its takeover of Day. Mines last year, is Hecka Mines.

which lost \$1.06m, again?

The company said the loss

profit last time of \$3.62m.

three months of the year.

### East Dagga in new hands

came to an end yesterday, when existing directors and their uneconomic. Since then, its Anglo American Corporation of replacement by its own numinees principal source of evenue has Anglo American Corporation of replacement by its own maintees.

South Africa formally relim at yesterday's annual meeting. at yesterday's annual meeting. Mr Lundin, a Swedish businessman based in Switzerlaod, has previously been involved with the Caoadian-based energy.

Anglo, which has acted for the Transvaal minoe since its incep-tion as a gold producer in 1932. gave up its position at the anoual meeting at the request of Mr Adolf Lundin and his associates.

This group now controls at least 34 per cent of East Dagga's

coocern Gulfstream Resources, and with a silver miniog venture in Mexico.

He told the meeting that he would continue East Dagga's current undertakings, and would seek new sources of finance for

East Dagga produced gold

#### Approval for Cornish tin mine

CORNWALL'S county council has given formal planoing per-mission for a full-scale tin mining operation over the next 60 years at the newly-reopened Wheal Concord mine near Wheal Concord mine near Redruth, reports our Bodmin

.The planning committee was told that up to 1,000 tons of ore a week will be transported by road for milliog at the Rio Tinto-Zinc group's Wheal Jane

The management independently-owned Coocord said that a full-scale mining operation would result in an eventual increase in the workforce from the present 42 to around 150.

voting stock, against just 13 per East Dagga produced gold ceot for the Anglo camp, and from its underground workings Rio Algom

profits fall

Canada's Rio Algom, 52.7 per cent-owned by London's Rio Tinto-Zinc group, reports con-solidated net earnings of CS9,13m (£4.21m) for the first quarter of this year.

In the same period last year Rio Algom earned oet profits of C\$19.22m Earnings per share of 58 cents compare with C\$1.27 a year ago. The decline in first-quarter profits reflects the poor perform-

ance of the Rio Algom's 68.1 per cent - owned Lornex copperof the molybdenum mine which last Wheal week announced a loss of

A RELATIONSHIP of 50 years secured the removal of all the until 1976, when this became came to an end yesterday, when existing directors and their uneconomic. Since then, its been royalties and tributing agreements with ther mines, at present Grootvii and Marie

Com made

1. 1

BRITIS

100ES

The company as acquired a 23 per cent interest io Bonanza. Gold Mine, which was estab-1 lished io 1977 to conduct a small-scale mining operation on East Dogga's land pany is controlled by the Sooth African copper aid industrial

#### Philippines to aid metal producers

THE GOVERNMENT of the Philippioes is puting together a package of financial assistance for its beleagered mining. odustry, accordig to Mr Jaime Lava, governor of the central bank.

He said the bvernment had decided on thenove so that the country's copir and gold pro-ducers were at forced to sell at "ridicules prices," and at "ridicules prices," and could thus soid closures and redundancies. They should then Most of the world's copper producers at currectly operating at a less including Atlas Consolidates, one of the country's by five and generally ranked among the more efficient.

C\$1.02m in the first quarter.
In addition, Rio Algom's uranium earnings were slightly lower because of increased operating costs. ranked amog the more efficient operations. . .



#### BRAZIL CARAJAS IRON ORE PROJECT INTERNATIONAL PREQUALIFICATION SELECTION FOR **CONSTRUCTION COMPANIES** PREQUALIFICATION NUMBER 001/82

Companhia Vale do Rio Doce-CVRD invites the custruction companies interested in participating in the prequalication for the performance of civil works at the Carajas Mine and the Carajás Townsite, the financial resources for which an heing negotiated with the International Bank for Reconstructon and Development-WORLD BANK. The aforementioned wdks will be contracted under the Guideline for Procurement under World Bank Loans and IDA Credits.

Participation in this Prequalification is limited to trazilian companies, to companies of member countries of the WORLD. BANK and to companes of Switzerland and Taiwan.

The civil works relating to this prequalification of ompanies are dismembered into the following contract packages:

- Package M14 - civil construction of industrial buildings at the Mine, including embedded systems, siding, roofing and civil works for utilities networks;

- Package N4 - construction of 259 single-family houses, 4 ) apartment buildings and 2 hachely housing units:

- construction of 371 single-family houses, 71.... — Package N5 apartment buildings and 2 bacheor housing

- Package N6 - construction of 12 non residential buildings as hotel, administration huilding, super markets, club, etc.

The International Prequalification Selection Documents will be available upon written request to the General Construction Manager until May 31st, 1982 at the following address:

Superintendêucia de Implantação do Projeto Carajás Gerência Gerald de Engenharia de Construção Cep. 20.030 - Rio de Janeiro - RJ - Brasil Av. Marechal Cámara N.º 150-7.º Andar

Telex (021) 22544 The prequalification documents will be received at the above mentioned address on June 30th, 1982 at 09.30 a.m.

Rio de Janeiro, 30th April, 1982

Renato G. Moretzsohn Carajás Project General Manager

BY LARRY KLINGER

THE EEC's agriculture mini-sters yesterday began negotiating a new set of compromise proposals. This would give Europe's 87m farmers record guaranteed price rises at projected extra cost to the EEC budget of at least £812m, or nearly double that for the Com-

mission's original proposals.

While the estimated cost of the programme immediately drew a liostile reaction from several member states, notably of Britain and West Germany, it was equally clear that even-tual agreement could be very close indeed to the latest com-

West Germany, Britain, the Netherlands and Denmark will all be challenging aspects of the compromise, and the Commissinn has promised to provide detailed cost breakdowns coupled with an explanation of the assumptions on which its estimales are based.

the proposals as they now stend Poul Dalsager, the Commis-at £812m, against £417m for its sioner for Agriculture, said the would contain the growth in original proposals. Total EEC cost of the measures for this agriculture spending to below foreign ministers meeting.

Main clements of the compromise proposals are: MILK: the across-the-hoard

2.5 per cent (ax on production would be cut to 2 per cent, with the retention of the earlier provision for a further 1 per cent reduction on the first 60,000 litres of out-put as an aid for small farmers. Alternative measures of ald would be studied, with the Commission required to submit a report to the member-states by the end of the

GREEN MONEY rates: Revaluations by West Germany of 2.9 per cent (previously 4) and the Netberlands of 2 per cent (3), s devaluation of 3-8 per cent by Greece (1)

The Commission provision support spending this year is year could be contained in ally estimates the extra cost of estimated at around £7.7bn. Mr existing spending commitments

and not change for Britain (2.5 per cent revaluation). WINE: complex arrangements aimed at establishing a guaranteed minimum price equal to 85 per cent of the EEC's notional guide price. WHEAT: 9 further 1 per cent price increase for low-quality (minimum breadmaking) wheat bringing the proposed price rise to around 7 per

GREECE: the would report on Greek demands "in the near future," submitting to the member-states "if necessary" proposals to "take account of the proposals to take account of the problems raised in relation to Greek However, a record price award of between 10.5 per cent and 11 per cent seems on the cards, with this possibly being increased by up to 18 per ceot for some countries through changes in the EEC Agrimonetary, or " green currency ' Mme Cresson of France and

that in overall EEC income.

Sr Guiseppe Bartolomei, the Italian minister, also need to take home a new wine marketing agreement, but this is also being blocked by Britain and West Germany on the grounds of its possible cost and the proposed buying up of table wine into public stocks for the first time.

first time.

The prospect of widespread protest demonstrations grew yesterday with farmers in West Germany and Belgium blocking temporarily road access to Luxemburg. COPA, the EEC farmers' organisation, yesterday called for further protests to be organised raising the prospect. organised, raising the prospect of a European-wide demoostration in Brussels for the next

#### EEC farm price compromise plan NZ seeks lamb-for-oil deal BY DAI HAYWARD IN WELLINGTON

A team of New Zealand negotiators have just returned after several weeks of compli-cated negotiations in Tebran, confident that a contract will soon be signed. The negotiations have been going on since late last year, and a month ago the New Zealand government and the NZ Meat Board agreed to look at an "oil-for-lamb"

It is understood the agreement being negotiated will be a three-way deal. New Zealand will not taka physical possession of the oil but will play a band in its sale to a third party. The proceeds will come direct to the New Zealand Meat Board in cash.

This should overcome the biggest problem hindering the signing of a new NZ-Iran lamb

A LAMB for oil deal between contract this seasoo. Last year Iran and New Zealand will soon be finalised. contract this seasoo. Last year lran had problems paying for the 100,000 tonnes of NZ lamb it bought and at one stage the Meat Board stopped the sailing of four loaded meat ships. Shipments of lamb to Iron Iran's difficulties in finding could fall below the 70,000 foreign exchange to guarantee payments for this year's con-tract has prevented an earher

> Mr Adam Begg, Chairman of the Meat Board, confirmed last night that the total package included the sale of oil and purchase of NZ lamb. But I emphasise we will be paid in now has problems stockpiling intercational currency through the banking system. We will the problems created by the not bave possession of the oll at any stage." Some commerar any stage. Some commer-cial details still bave to be-finalised but the Meat Board officials are confident these can be resolved without too much difficulty and without the oeed exporters. It is to be sold by of its negotistors returning to a joint council of the Board

The tonnage of lamb involved could be up to 70,000 tonnes but the final quantity may depend on the ease of disposing of the oil made available for the deal.

Some lamb is already being killed secording to Muslim rites in anticipation of the deal going through fairly soon. Ships could leave for Iran almost immediately the contract is signed. This will be a relief to the NZ mest industry, which The problems created by the delay in signing the Iran contract, which belped depress prices, was one reason why the Mest Board stepped in last month to buy all the lamb coming on to the market from the and exporting companies.

#### **Soviet** coarse grain imports rise

THE SOVIET UNION will have imported 23m tonnes of coarse grains to feed its live-stock by the end of the cur-rent July-Inne crop year, 5m tonnes more than in 1980-81, the International Wheat Council has forecast. The estimate, contained in the IWC's latest world market report, is 500,000 tonnes higher than in its March report.

In Moscow, meanwhile, a senior Soviet agricultural offi-cial said special emphasis was being placed on forage grain production within the country's efforts to improve on recent poor crop perform-ances. "Wloter crops hibernated better than last year," said Mr Alexander Zholobov, chief of the Soviet Agriculture Ministry's grain section.

### handy

#### Commodity trade group reformed

Lonconex, ring-dealing mem-bers of the Loodon Metal Exchaoge, ia to be reformed, effecive from May 4, to bandle sll the futures business in the croup, which includes M. Golo-detz and Primary Industries.

Michael Brown, who is to be chairman of a new parent company. Lonconex Holdings, said vesterday (hat over the years the group had hecome frag-mented and it had been decided that to become more competitive the group's brokerage business in nictals, "soft" commodities and financial futures should be concentrate dunder one umbrella.

Under the new arrangement M. Golodetz would continue to trade io physical commodities and Primary Industries in physical metals.

There was no change in the owoership, which remained in the hands of the Golodetz and Ginsberg families.

### Larger tin output cut planned

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA is seriously con- cent over the next couple of sidering cutting back its tin years.
exports by more than the This was to conserve depletamount sanctioned by the Intering natural resources. At the national Tin Council. Dr same time, efforts would be Mahathir, the Prime Minister, made to develop copper and disclosed in Kuala Lumpur other metal deposits found in

Under the ITC export control programme, decided in Loodon over the weekend, the seven tin producing countries, Australia, Bolivia, Indonesia, Malaysia, Nigeria, Thailand and Zaire, are to reduce exports by 4,500 tonnes or 15 per cent of their projected supply to the eod of June as a last resort to check falling prices.

with the Financial Times, said £852.5 a tonne. But the market On the London gold futures

Meanwhile, it has been con-firmed that the mining miois-ters from Indooesia, Thailand aod Malaysia will meet in Knala Lumpor from May 14 and 15 to discuss the tin situation. Today is the final day for

the country.

The Primary Industries yesterday.

He did not give a figure or percentage, but said the cut would he "what the market can would he "what the market can decision.

The Primary industries is now working on a plan to implement the ITC decision.

Ministry officials will chamber of mines to ratification of the sixth Inter-national Tin Agreement, and so for the Soviet Unioo and Poland have not indicated whether they will sign. The Soviet vote is crucial for the distribute quotas next week.

### Copper down sharply

BY JOHN EDWARDS, COMMODITIES EDITOR

Malaysia, the world's biggest tin producer, was given a quota of 9,048 toones.

Last February, the Malaysian

Prime Minister, in an interview as copper closed £16 lower at the malaysian on the previous day. he wanted Malaysia to cut tin rallied in after hours trading market the August position output by as much as 25 per Gold also rallied in late trad- closed £3 lower at £201.35

COPPER prices dropped sharply ing when the value of the dollar on the London Metal Exchange came under heavy pressure.

### **FARMER'S VIEWPOINT**

### No room for young blood

I WAS never a member of a quite that way. Membership Young Farmers Club for the was never confined to farmers' simple reason that the move-ment bad not come into being children have glways been keen until I was already iovolved in the basic facts of farming in the depression. Then there was no alternative to a seven-day grind of working, eating and sleeping.
It is perhaps an indication of

the easier times through which we have been passing since the 1930s that the National Federa-tion of Young Farmers Clubs is holding its 50th annual meeting and coovertion in Blackpool lbis weekend.

Its basic aims were educational. During the war and postwar years it was supported by the Government, primarily as a means of getting new ideas through to the ferming industry which was thought to be too cautious to adopt them outright. The theory behind this thinking was that once the young bad been indoctrinated, they would either nag their pareots into change, or succeed them eventually as full-time farmers all primed and ready to go.
Things did not work out in

oo goiog ioto farming and the YFC movement provided the best sort of youth club. A agreed that this should be mixture of education, social life changed in a modest way and the possibility of marrying the YFC is pressing hard. So s farmer's 500 or daughter into the bargaio.

But marriage is far from being the YFC's main consideration these days. The members are lamenting the fact, that there are few chances for them to ascend the farming ladder. The main motion on the agenda of Blackpool concerns the dif-ficulties of young farmers acquiring capital and even more importantly finding farms, however small, on which to start.

They are particularly upset by the fact that offers of rented with those from farming. Rents farms bave practically disare classed as unearned income. appeared. For this the security given to tenants, and particularly to tenants' families, has session, values of a vacant farm been blamed. This security can are double that of one which last for two succeeding generations. As a result it is claimed farming has been viable for the landlords are unwilling to let past 40 years or so. Under good

their farms preferring to take management, his own or em-them in hand themselves. ployed, there is no reason why The . Country Landowners Association and the National

lation on the grounds that there would be every chance that it woold be reversed by a Labour Government which is contem-plating including in its mani-festo a proposal to nationalise reoted farmland. Whatever Labour decides Mr Walker is probably more con-

srious of other factors govern-

far the Minister of Agriculture

has refused to loaugurate legis-

ing landlord letting decisions. Present taxation rules arc 5till unfavourable to earnings from landowning compared with those from farming. Rents At the same time because of the demand for land with pos-

ployed, there is no reason why it should not carn the landlord more in hand than when let. There is also the position of

tenants' sons who are hopeful of succeeding their fathers. Until the succession legislation was introduced in 1976, many of these were in a desperate state, wondering if there was going to be a chance for them to take over the farm on their father's death or retirement. Even hefore the logislation there were very few farms to let.

When asking for a change in legislation 1 have seldom seen much in the way of concrete proposals of how the position of a displaced son is to be ameliorated, nor any guarantee from the CLA that more farms would he available to rent. The general opinion among those who should know - chartered surveyors - is that only if the fiscal disadvantages of being a landlord were removed would there be much incentive for them to let more land.

John Cherrington

#### BRITISH COMMODITY MARKETS

BASE METALS

COPPER VALUES FELL SHARPLY on the Lendon Melal Exchenge owing to the strength of sterling. The weoker lend on overnight American markets and concern over the outlook lof the U.S. aconomy. Three months COPPER dropped to a day's low of 1880.5 but relied in close the little kord at 1887 lellowing news et e full force majeure declaration. LEAD and ZINC were limitly 2339.5 and 1630 rospectively, while TIN closed at 17.360 reflecting constanted support buying by the buffer slick menager. ALUMINIUM wes limitly 5765 and NICKEL C3.005.

COPPER Official - Unofficial -T £ E £ £ Cash... 201 5-2 - 11.6, 852 3 5 mths 891 5-2 - 10.6, 623-3 3ettlem't 862 - 11.5 Cash... 855 6 112 845.7 11.5 5 months 885.5 11 275.6 +78.5 Settlem't 252 -11.5 76.5 U.S. Fred. 76.5 Amalgemated Metal Trading recorded

Amalgemented Metal Trading recorded that in the morning ceah higher grade traded et £853 00; three months £833.00, 92.50, 93.50, 93.00, 92.50, 92.00, 91.50. Kerb: Higher grade: Three months £891.00, 90.50, 90.00. Afterneen: Higher Grado, three months £884.00, 83.50, 82.50. Kerb: Higher Grado: Three months £884.00, 83.50, 82.50. Kerb: Higher Grado: Three months £882.00, 81.50, 81.00, 80.50, 81.50, 81.00, 80.50, 81.50, 82.00, 82.50. Turnovor: 16,525 tonnes.

ZINC — Merring: Three menths f430 00, 30.50, 31.00, 31.50, 32.80, 32.60, 32.00. Korb: Three menths f432.00, 31.50, 31.50, 31.50, 31.00. Alternoen: Ceeh f432.30; 50: three emenths f428.00, 29.50, 28.60, 28.25, 28.00, 28.50, 29.50, 30.00, Turnever: 9.300 tennee.

527.2 +2.25.323.5-4.5-.6 341.5 +2 537.5 8 -0.2 222 +8.6 -0.2

NewYork
Tin-Meming: Standard, cash E7.160, 70, 78; three months 17340, 45. Aletnoon: Standard, ceob 1760, 70, 75; three menths 17340, 42, 40, 45, 50, 65; Standard: Three menths 17345, 50, 55, 53, 55. Turnever: 2,480 tonnes.

Cash...... 427.5 +1.5 428.5 -1.76
5 months 439.5 +1.5 428.5 -1
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a.m. + or p.m. + or Alumiam Spot... 357.5 8 –2,75 554-5 –4,75 2 months 580 1 .-2,75 573,5-7 .-5,6

#### +8.6 268 .....

INDICES FINANCIAL TIMES April 28 April 27 Month ago Year ago 246.90 247,21 242.40 857.89

(2ese: July 1, 1952-100). MOODY'S

April 25 Agril 27 Month ago Year ago 1006.2 1014.3. 222.6 1101.6 (December 31, 1931-100)

#### DOW JONES

Spot 122,94 127,17 124,17 Futre 130,52 151,34 128,59 (Baes: Occomber 31 1974-1001

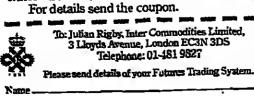
REUTERS

April 82 April 26 M'nth ago:Year ago 1211.8 1211.0 1592.8 : 1682.0 (Bane: September 18, 1931-100)

### Could you profit from technical analysis?

In certain market conditions, the discipline imposed by dealing in commodity; currency and financial futures on the basis of technical analysis can be very

The Inter Commodities research department now provides regular trading recommendations based on a sophisticated technical analysis system. This system has an audited six year track record, showing an average annual profit of 56%. The service is available either direct or on a discretionary account basis.



Company.

\_IOffice) \_ Telephone (Home)\_ INTERCOMMODITIES LIMITED Helping you stay ahead.

NICKEL a.m. + or p.m. + 9r

NICKEL-Merning: Cosh £2,950; three months £3030, 25, 20, 10, 05, 3000, 05, 63, 10, 09, Kerb: Three months £3000, 10. Attainment Three membs £3000, 90, Kerb: Three membs £3003,

10. 15. Turnever 738 tennes.

Silver was fixed 11.7p an ounce lower let epot delivery in the London buillen market yesterday at 383.3p. U.S. cant equivelents of the fixing levele were; eper 701.5c, dewn 19.7c; ihree-menth 756.7c. dewn 20c; eix-month 752.9c, down 19.3c; end 12-month 804.8c, down 19.4c. The metel opened et 393-396p (700-705c) and closed at 388-389p

1693-597c) troy oz. 

#### COFFEE

Onles celling during a quiet opening prempted marginal losses, records Otexel Surnhem Lambert. A chort-covering raily in this cendrono litted orices belers stronger sterling encouraged lurther dealer celling. Oursee | Close | or Austress
COFFEE | Close | Done

E ger tonne. 

GAS OIL FUTURES Prices spened around \$3.00 higher to reflect the New York close and eared off in lietless trading. The morket rollied to the highs, where it met some profit-taking resistance. Prices fell back rowards the lows, in line with New York, belets showing some atrongth on the cless, raports Pramier Man.

Month Yest day's + or | Business

/Br; 4.110 (2.579) less of 100 **GRAINS** 

Old crops opened higher and new crops unchanged. Old crop wheet soon came untiler pressure from book-quoring shaed of the long weeken white old crop befoy found keen ohipper buyang end short-covering. New crops were quintly laded cround unchanged levels. Acli reports. BARLEY WHEAT

Yesterd'ys +or Yest'rd'ys +or May 119,80 -0.0 112,95 +0.78
July 123,50 -0.0 122,95 +0.78
Sept 107,80 -0.5 107,40 -0.8
Nov. 111,60 -0.6 107,40 -0.8
Jan 115,70 - 111,35 -0.6 118,35 ,-0,05 114,70 Businese done—Wheel: May 123.25-119.90, July 123.80-123.40. Sept 107.85 only. Nov 111.70-171.60. Jen 115.70 only. Mat 119.35 enly. Sales: 164 loss

ALUMINIUM—Morning: Three months (2581.00, 80.50, 80.00, 80.50, Kerb: Thise months (2581.00, 77.00, 78.00, 77.00, 78.00, 77.00, 78.00, 77.00, 78.00, 77.00, 78.00, 77.00, 78.00, 76.00, 76.00, 77.00, 78.00, 77.00, 78.00, 76.00, 7

\* Cents per pound. \$ M5 per kilo. † On previous official close.

#### RUBBER

The London ghysical market epened alightly essedier, attracted linie interast rhrough the day end closed quiel. Lewig end Peat recorded a May fob price ler No 1 R35 in Kuele Lumpar ol 208.0 (208.25) cents e kg end SMR 20 180.5 (same).

No. 1 Yest'r'ys : Previous : Business R.S.S. closs close Done

Juna 52,50.84.80 56.70.82.90 57,00.88.50
July 91,50.61.59 53,10.65.40 62,50.80.0
Jly-Sept: 80,70.80.90 52,80.61.90 61,80.60.0
Oct-Dec 61,58.82.00 61,50.61.80 52,70.61.50
April - June 64,98.65.90 62,60.65.16 53,50.66.50
April - June 64,98.65.90 62,60.65.16 54,90
Jly-Sept: 84,40.65.80 62,60.68.70 58,10.64.90
Oct-Dec 67,58.68.80 62,00.68.70 58,10.64.90
Jr-Moch 63,40.89.50 68,60.63.70 53,40

Sales: 258 (334) lots of 15 tonnes, 20 (3) lots of 5 tonnes. Physicel closing prices (buyers) were: 5pot 58.75p (56.00p); June 54.75p (54.50p); July 55.50p (55.25o). SOYABEAN MEAL

The methet opened slightly attedy in thin conditions, reports T G Roddick, Firmer currency encouraged acting and prices drifted. Yesterdys + or Susiness Close - Done

per tonne per tonne

June. 125,50-55.7 - 1.25 177,00-35,50
August. 155,50-35.7 - 1.10 156.80
October. 155,50-35.7 - 1.15 187,20-25,50
Dec 188,80-32.2 - 0.70 186.50
Peb 182,80-45.2 - 0.70 186.50
April 182,80-45.8 - 0.5 143,50
April 185,50-45.8 - 1

Seles: 203 (201) lots of 100 tennes,
SOTABEAN 011—The market opened with small gains but ran into leng inquidision. However, renewed buying interest lette in session eleadied prices,
Cleeing prices and business dene: June 503,00-05.00, 503,00-40, 508,50-05.50, 508,50-05.50, 508,50-07.00, 518,50-17.50, 517,50, 517,00, Turnover: SS (104) lets of 25 tennes.

**SUGAR** 

LONDON BAILY PRICE—Row eugar fil28.00 (fil24.00) e tonne of April-May-June shipment. White eugar delly pince fils.00 (fil95.00). The market was centained within a narrow troding range throughout the cay, reports C. Czamikow No.4 Yesterdoy Previous Businass Con- class class dens tract

Sales: 4,153 (3,565) lots of 50 Sales: 4,153 (3,865) fors of 50 lonners.

Tare and Lyle doliver' price for granulated basis white sugar was 5374,000 (seams) a tonne lob lor heme trade end 2237,00 (221,00) for export. International Sugar Agreement (1.5. cents per pound) fob end stowed Caribbean ports. Prices let April 28: 00ily price 9,84 (8,74): 15-day average 9,41 (9,50).

COTTON LIVERPOOL—Spot and anipment erice emounted to 84 tenners. After extensive buying business of largely dried up, with only minor purchases of American type qualities. Trading was confined to ampil operations in Alrican and Middle Essuern styles.

WOOL FUTURES

SRADFORD—Despite the continuing Faiklands crisis there is no increase in market activity. Tepmakets lind a weet 110.0. We must 110.40, N West 111.60. The UK Monetary Coefficient for the week beginning Monday May 3 is expected to termein unchanged.

LONDON GRAINS—Wheat U.S. Oark Northern Spring No 1 14 per cerit May 10/June 10 116.75, June 115.25. July end Aug 114 trenshipment East Coast sellers. English Feed leb May 122 Cotchester seller. Maixe: French first half May 126.25 transhipment East Coast seller. S. Alnoan White/Yellew 90.50 seller. Barfey: English Feed feb May 117.50 paid Saasen. May 118 seller Ounness, Jane 118.73 seller Ounness, Aug 105.50 seller East Coast Rest unquoied.

Felklands crists there is no increase in market activity. Tapmakets lind buying Interest seller in market activity. Tapmakets lind buying Interest seller in market activity. Tapmakets lind buying Interest seller seller. Seller in market activity. Tapmakets lind buying Interest seller seller. Seller in market activity. Tapmakets lind buying Interest seller seller. Seller seller. Seller in market activity. Tapmakets lind buying Interest seller seller. Seller seller. Seller in market activity. Tapmakets lind buying Interest seller seller. Seller seller seller. Seller seller. Seller seller seller seller. Seller seller seller seller seller. Seller seller seller seller seller seller seller seller se 3YDNEY GREASY WOOL—Close (in order: buyer, seller, business). Austrakan cents per kg. May 557.0, 553.0, 579.5-264.0; July 564.5, 565.0, 579.5-264.0; Oct 525.0, 527.0, 533.0-27.0; Mat 530.0, 531.0, 534.0-530.0; May 524.0, 526.0, 531.0, 534.0-530.0; May 524.0, 526.0, 525.0-324.0; July 52.0, 525.0, 525.0-324.0; July 52.0, 545.0, 547.0-544.0; Oct 541.0, 543.5, 545.0-543.0. Sales; 369.

**POTATOES** LONDON POTATO FUTURES—The market seead back in eli positiene, clesing aser the lews, reports Coley Horper. Closing pricte: Nev 63.30; Feb 73.80, -2.30 (high 65.00, low 63.30); Feb 73.80, -2.20 (high 75.90, low 73.50); April 84.20, -2.30 (high 86.00, low 83.70); May 96.00, -2.90 (high 85.00, tew 85.60). Tainever: 319 (102) lots of 40 tennes.

**MEAT/VEGETABLES** 

SMITHFIELD—Pence per peand. 2007: Scotth killed eides 83.2 rc 87.5; Uletar kindquerters 100.0 te 103.8, forequerters 58.0 te 61.9. Veel: Outch hinde and onds 120.0 to 125.5, Lamb: English amail 104.0 to 109.0, medium 102.0 rc 104.0, heevy 38.0 te 100.0. Imported: New Zealand Pt. 63.0 te 64.0. Hoggerts: English 84.0 to 92.0 Pork: English 84.0 to 92.0 Pork: English 84.0 to 92.0 Pork: English 84.0 to 52.0, 127-160 to 40.0 te 52.0. MEAT COMMISSION—Averege Fatstock pnose at representative markets. IB—Certile 100.29p per kg iw (-0.05). UK—Shaap 215.440 per kg est dow (-7.51). GB—Pige 72.27p per kg iw (-0.75). GRIMBSY FISH—Supply good.

UK—Shaap 215.440 per kg est dew (-7.51). GB—Pige 72.27p per kg lw (-0.75). GB—Pige 72.27p per kg lw (-0.75). GRIM8SY FISH—Supply good, demand geod. Prices at ship's eide (unprocessed) per stene: shelf cod (5.00-15.80. cedilings 12.40-16.50: lerge haddock 15.40-15.80, medium 15.00-15.40, email 12.20-15.60; medium 15.00-15.40, email 12.20-15.60; medium 15.00: 15.00; best small 13.80-14.60; skinned deglish (medium) 52.00-16.60; lemon cele (large) 15.97, (medium) 18.00; rockflah 11.60-12.90; sarthe 11.80-12.50; rockflah 11.60-12.90; sarthe 11.80-12.50; rockflah 11.60-12.90; sarthe 11.80-12.50; lemon 18.00; rockflah 11.60-12.90; sarthe 11.80-12.50; laffer 19-kg Shemoull 95.50, 95.70, 75.55.0, 88 4.80, 105 4.80, 123 4.80, 144 4.50, 168 4.50, Morocan: 16-kg Velencia Latas 48/113 3.50-5.00. Tepaz—Jaffa: 12-kg 3.50-4.40; Spania: trays 3-kg 40/50 1.20-1.70; Jaffa: 16-kg 90/103 4.50-5.00; Ustspan: 19-kg 60/120 4.50-5.50; laffer: 100/100 3.50-4.00; Grepefruh—U.3.: 16/17-kg Towas Ruby 5.03, Floride Huby 7 03-7.50; Cyprus: Small; cartona 17-kg 3.73, 73 4.30, 83 4.02, Ugli Fruh—Jamatean 14/55 5.03-6.00. Ortanques—Jamatean 44/55 5.03-6.00. Apples—Franch: Goden Oelicious 9.00-14.00. Peers—FIRO DE AN MARIED DE AN MAR

### 12.00: U.2.: 13.50-14.00. Pineapples—Ivory Coast: Each 0.35-1.00: S. Africen: 5/7 4.20-4.80. Benanas — Colembian: 40-lb boxes 8.20-9.40. Avocades—Israqi: 3.00-3.60: S. Africen: 3.00-3.50. S. Africen: 3.00-3.50. Mexican: 9.00: Complete 9.00: Tomatosa—Cenary: A kg 2.50-4.30; Oarch: 5 kg 4.60-5.00. Capalcuma—Cenary: 6-kg Green 2.50-3.50. Red 8.50: Outch: 5 kg Green 2.50-3.50. Red 10.00. Yellew 10.50. Whita 10.50. Purgle 10.50: Spanish: Green 2.00-3.00. Sgring Cabbage—Franch: 27/28 lb 3.00-3.50. Cabbage—Dutch: White 5.00-8.50, Red 4.00-4.50. EUROPEAN MARKETS 271.50, Jan 277, Feb 280.50, Mar 284

ROTTERDAM, April 29. Whest—(ILS. \$ per tonne): ILS. Two
Osrk Herd Winter 13.5 per cent effort
25.50. U.S. Ne Twe Rod Winter Mey
184. June 184. July 184. Aug 185. Sep:
189. ILS. Ne Two Northern Spring
14 per coar May 189.50, Jane 187. July
185.50. Aug 185.50, Gept 185.50.
Canadian Western Red Spring April/
May 10 201. Mey 202.

Maize—(U.S. S pet tenne): U.S. No Three Yellew effort cil Ghent 139, April 125.50, May 135, June 125, July Sept 135.25, Dat/Osc 125.25, Jun/Mar Sayabearts-(U.S. 5 per tonne): U.S. Two Yeilew Gullports Mey 257, June 267.25, July 268.75, Aug 270.50, Sept 271.25, Oct 267.50, Nov 267.50, Oct

PRICE CHANGES

in tonnes unless otherwise stated.

E810/815

Coconut (Phil) \$310u 5500 Groundnut 580y 5 Linaeed Crude 2 Palm Malayan \$497.5v 5507.a

9eads Copra Ph lip ... \$355y Boyabsan (U.S.) \$278,75x ....... \$366,5

‡ Unqueted. x Mey. v June. y April-

Mey. u Mey-June. † Per 75-lb Rock. • Ghane cocos. n Nominel. § Seller.

S. Alrican: 15-kg Petkham's Triumoh 9,50-10,00, Seurre Bosc 34-lyb 9,20-980, Comice 34-lb 10,00-11,00; fielian: Per pound Pasestrasane 0,14-0,15, Peschez-istesi: 24/27 4,80; Ui-5, 32 17,50, Grapes-S. Alrican: Watthem Croes 5,50, Sertilah 5,40, Goldan Hill 7,00, New Cross 8,60; Chiloan: 5-kg Thompsen 5,80-7,00, Red Emperor 4,50-4,80. Strawbernies-Spanish: 9-38

18.00 Strawberries—Spanish: 9-28 0.40: Italien: 8-pz 0.35-0.40. Melons—Senegel: Cherenteie 7/12 10.00-12.00: Chitean: 15-kg White 5.00-8.00, Grean 9.00-8.00; Guetemala: 10-kg White 4.00-5.50. Water-Melons—Spanish: 16-kg 12.00: U.a.: 13.50-14.00.

Apr. 29 + pr. Month

£2)0/815

#### **GOLD MARKETS**

Gold fell \$11 to \$350-351 in very active London bullion 351, against \$353-356.
trading. The metal opened at \$351-351\frac{1}{2}, and was fixed at har was fixed at the equivalent \$352.00 in the mornlog, and \$352 per ounce, compared \$348.75 in the afternoon. It with \$359.3.

In Zurich gold closed at \$348-324 and fell to a low of \$3273.348 and fell to a low of \$3471-3481 in the afteroopo. Nervousness

about the Falklands crisis, and

to a very uncertain market, with gold pushed up quite sharply towards the close as the dollar fell sharply.

Io Frankfurt the 123 kilo gold bar was fixed at DM 26,870 per kilo (\$353.99 per ounce) com-pared with DM 27,305 (\$360.03)

351, against \$353,356.

previously, and finished at \$348-

#### LONDON FUTURES fears of further outbreaks of

Yest'rday'e + or Susiness £ per troy

ounce 201,50-1,40 -3,090 204,50-0,50 203,58-5,40 -2,950 205,56-4,50 205,50-5,45 -2,959 206,50-4,55 207,56-7,40 -2,976 210,10-8,95 August.... Sept'mb' r October... November

April 28 Gold Sullion I Ting oungel (£187-1971<sub>2</sub>) |£2011<sub>4</sub>-2015<sub>4</sub>) |£201,421<sub>1</sub> (£198,435) 162004-2004 | \$36212-30314 (£103-10312 | \$167-168 (£2524-5512) | \$654-964 (£2112-22) | \$38.40 (£2004-20112) \$35112-503 (£47-47-4) | \$5934-8534 (£2004-201) (£47-474) (£541<sub>2-</sub>55) (£541<sub>2-</sub>55) (£421<sub>2-</sub>48) (£421<sub>2-</sub>441) (£473, 481 [£531, 56) [£551, 56) [£431, 483, 1

English Produce: Potatess—Per 55-lb, White 4,80-5,50, Red 5,07-5,57, King Edwards 4,80-550, Mushrooms—Per pound," open 0,50-0,60, clesod 0,60-Odund, " open 0.50-0.9, clesco 0.60-0.80. Apples—Per psund, 8 remley 0.20-0.32, idered 0.88-0.23. Psers—Per psund Conference 0.86-0.39. Lettuce—Per 12. reund 0.80-1.50. Cos 10s 2.30-2.40, Webb's 12s 1.80-2.80 Oniors—Per 55-15 40/80mm 2.50-3.50. Spring Onlens—Per bunch 0.08-0.10. Carrots

—Per 26.78-ib 2.0-2.50 Seetroots—Pc. 28-ib. round 1.09-1.20. long 1.20. Swedes—Per net 1.40-1.80. Rhubert—Per peund, outdoor 0.08-1.10. Leeks—Per 10-ib 1.00-1.40. Perenips—Per 25/28-ib 1.23-1.50. Cucumbers—Per packege 2.C3-2.60. Greens—Per 36-1-69 2.C0-2.40. Tomates—Per pound DyE 0.33-0-50. Casifiewers—Per 26/24 Kent 2.00-4 50 Kent 2.00-4 50. Asperas

Sept 682-683. Nov 68712-687, Jen 700.

#### **AMERICAN MARKETS**

The fivesteck merkets rollied sharply on lower country runs and better product tone. Trade salling pushed heating eil towarde lower levels. Cotton was mostly higher on eaw crop glentings leggod behind leet year. Coffee raillied on good degler and trade baying. Copper raillied from heavy early losses for net; geine after Peru declared e lerce meleure. Gold raillied throughout the doy finishing higher white an early clees in allvar left; the market sharply lower, reported Heinold.

Copper—Moy 63,70-59,85 (69,40), June 70,70 (70,35), July 71,70-71,80. Sept 73,40-73,70, Oac 76,00,76,10, July 91,70, Sept 83,30, Oac 85,70, Jen 86,45. March 88,00.

70.90, Merich 76.50, Mery 80.10, July 91.70, Sept 83.30, Oac 85.70, Jen 86.45, Merch 86.00.

\*Gold—Mey 355.4 (365.1), Jane 364.5 [239.11, Aug. 363.0-269.0, Oct 375.0-377.5, Oec 384.0-388.0, Feb 393.1, Aug 419.5, Oct 428.6, Oec 437.8, Feb 447.0, Potstoces (round whites)—Nov 79.5 [79.8], Merch 91.6-91.9 (92.01, Aent 105.0, Sales: 74.

\*Silver—May 897.0-732.0 [763.9], June 76.9, 1717.2), July 716.0-719.5, Sept 725.0, Oec 761.0-725.0, Jan 772.9, Mar 790.0, May 803.0, July 823.0, Sond 324.0, Oec 881.0, Jan 270.0, Mer 888.0, Handy and Herman bullion apot: 694.00 (713.50), Sugar—Ne. 11: May 9.16-9.25 (9.30), July 9.29-9.30 (9.54), Sept 9.60-9.62), Oct 9.79-9.31; Jan 10.11, March 10.67-10.68; May 10.90, July 11.05-11.10, Sept 11.10-11.30.

11.10-11.30.
Tin-581.00-595,00 (585.00-592.00),
Tin-581.00-595,00 (585.00-592.00),
Live Cattle—Jane 69.95-69 02 (68.72),
Aug 64.60-64.50 (64.62), Oet 63.25-63.10, Oec 63.80-63.70, Feb 63.75, Agril 63 69.

271.50. Jan 211, Feb 2007.

selfers.

Soyamesi—(U.9. \$ per tonnel: 44
per cent protein silost 239/238 traded;
effest 240, April 238, May 234, June
232.50, May/Sept 235, Nov/Mar 249
selfors. Seyemeal 8tast often 252 to
245.50 (deponding on bosiuon), April
245, May 243.50, May/Sept 245, Nov/ 245, May 243.60, May/Sept 245, Nov/Mer 288 selfers.

PARIS, Agril 29.

Coccs—(FFr per 100 kilos): Moy 1020/1030, July 1090 esked. Sept 1135 asked, Dec 1170/1179. March 1210/1230. May 1240/1250, July 1289/1270. Seles et cell: nit.

Sugar—(FFr per tonno]: July 1700/1720, Aug 1708/1710. Oct 1863/1659. Nov 1890/1870. Occ 1893/1690. March 1750/1755, May 1785/1790, July 1820/1830. Selas et cell: 2.

Sept 682-683. Nov 6874-687. Jen 700. Metch 7144. ||Soyabeen Meal—May 193,1-193,5) (190.1). July 194.7-194.9 (192.4). August 196.5-186.0. Sept 187.5. Oct 196.5. 0sc 201.8-202.0. Jon 203,5-204.0. Merch 209.0. Mey 214.0-216.0. Soyabean Oil — Mey 19.85-18.87 (19.77). July 20.49-20.50 (20.42). August 20.75, 8est 20.93-20.98, Oct 21.05-21.08, Occ 21.42-21.45, Jen 21.60-21.65, March 21.95. 198-235, Dec 4142-4144, Merch 429-429, May 4354. WINNIPEG, April 29. \$Barley—May 121.50 (121.80), July 125.59 (125.50). Oct 127.20, Dec 128-50, Mer 130.60. Swheat—SCWRS 13.5 per cent protein centent oil St. Lawrence 223.69 (224.64). All cents for goand ex-waishbas, aniess otherwise stated. "S ger tropounce "Cents ger trop eunce it cents per 56-1b bushel. I Cents of 60-1b bushel. I'S per shert ter 13,020-1bi. § SCan. for metric ten \$§ \$ ser 1,000 as it I Cents pe doren. It's per metric ton.

#### Wednesday's closing prices

NEW YORK. Agril 28. †1Cocce—Mey 1700 (1754). July 1653 (1715), Segt 1683. Oac 1738, March 1798, Moy 1828, July 1858, Seles; 2.120. Coffee—"C" Contract: Mey 139.25. 139.40 (140.44), July 124.95-125.25 (128.181, Seet 118.10-118.30, Oec

Companies and Markets

is atill well down on the pro-

fit of \$2.1m or 17 cents a

abare in the opening period

of 1981, but the company is

now looking for improved re-

sults in the latter part of this

felt 18 per cent from \$208.1m to \$170.4m. The atrength of the dollar ex-

plained just over half this

downturn, wbile the rest

stemmed from generally weak

Mr Merle Rawson, chairman

and chief executive, said that

although the UK subsidlary

reported a loss for the period,

tis revitalisation plans were on schednle. The U.S. acti-

vities reported lower sales

and peofits but taken as a

group the companies in Con-

tinental Europe abowed signi-

ficant gains in earnings.
"Our new Sensotronic

vacuum cleaners in Continen-

tal Europe and Electcon wash-

ing machinse in the UK are

giving us a sales impetus that

we anticipate will accelerate

later this year when we in-

tenduce other technologically

advanced vocnum cleaner and

antomatic washing machine

Hoover has invested \$9m

recently in its factory at

Dijon, France, For the whole of 1981, Hoover made an operating

loss of \$55.1m in western

Europe. This more than offset its operating profit in the

Gothenburg in

paper issue

unrestricted basis.

By Peter Montagnon,

U.S. commercial

**Euromarkets Correspondent** 

GOTHENBURG bas become

the first city ontside the U.S.

to issue commercial paper in

the New York market on an

models " he added.

Hoover's main markets.

economic

conditions

Sales in the latest period

### Ford deficit \$355m in first quarter

General Motors, incurred a loss the first quarter of this year. \$439.5m deficit ln the compar- ycara," he added. able 1981 quarter, was in line

Its losses from U.S. operations first quarter production and totalled \$506m and were only partly offset by earnings of rise 38 per cent. \$203m from operations outside the U.S.

with U.S. car iodustry expec-

Ford'a worldwide dropped to \$8.92bn from \$9.32hn in the same period last year. In volume terms, car and truck sales fell 5 per cent to 977,585

from 1.03m last year. Mr Philip Caldwell, chairman.

Kodak hit by

currency

translation

quarter of this year.

By Our New York Editor

Worldwide sales declined from \$2.31bn to \$2.25bn. The new disk camera products and

copier-duplicators had been well received, but no shipments

were made in the first quarter,

Mr Walter Fallon, chairman,

said many of the pressures behind the lower earnings were

still at work. But he added:

'If, as we expect, a consumer

positive note."

Recovery seen

By Our Toronto Correspondent

world's largest tractor manufac-

turer and secood-largest maker

of combines, is edging back towards profitability.

quarter, eoding January 31, was well helow both the com-

pany's earlier estimate of \$85m

aod the \$\$1.4m loss a year

quarter, ending April 30.

" progressive

higber, he sald.

said Mr Rice.

Mr Victor A. Rice, chairman,

A 10 per cent decline in first

exchange-adjusted basis, sales revenues were 4 per cent

Massey-Ferguson's talks with

Chrysler Canada and the

Canadian Government over a

joint venture diesel proposal

have reached a critical stage,

ing loans and guarantees to

support peoduction of car and

estimated coat of \$200m.

light truck diesel engines at an

The two companies arc seek-

Improvement " orted in the second

The \$73.5m loss for the fire.

comparisons to improve.

by Massey

MASSEY - FERGUSON,

said Kodak.

MOTOR, the second said the U.S. car industry's car and margine aqueezed by car of \$203m in the first quarter, U.S. carmaker after sales in the quarter were the company discounts and other agalost \$17m a year ago. lowest in seven years. "Car and of \$355.4m or \$2.95 a share in truck inventories of Ford'a dealers were reduced by 105,000 The loss, less than the uoits to the lowest level to 17 Ford plans second quarter car

production in north America of 517,000 units, almost double truck production is expected to Worldwide production

about 1.3m cars, trucks and tractors planned for the aecond quarter is 39 per cent higher than the first quarter. Ford's first quarter losa reflects the extremely difficult

conditions of the Detroit car industry, with sales still low Ford earned an after-tax profit \$6im last year.

promotiona designed to stimu-

late sales. Ford's \$506m lossea in the first quarter from U.S. operations was \$111m more than in the same period last year.

The company said lower car industry volume and dealer stock reductions, which reduced this year'a results by \$256m, were offset partly by continuing reductions in operating costs. bigher truck industry volume and an improved share of the car market. Ford's sbare of the domestic car market increased to 17.3 per cent in the

first quarter in 1982. Outside the U.S. and Canada,

The company attributed this to lower operating costs and higher unit volume arising from increased dealer stocks in Europe and higher car shares in most major world markets.

While unit sales were 14 per cent lower in the U.S. and 48 per cent lower in Canada, outaide North America they were 10 per ceot higher than the same period last year. Overall, Ford factory car, truck and tractor sales were 5

per cent lower than last year at 998,000 units. In Canada, its subsidiary incurred an after-tax loss of

\$52m compared to a loss of

### Panama stake in Kaiser Cement

BY OUR FINANCIAL STAFF

KAISER CEMENT, the seventh largeat U.S. cemant producer. EASTMAN KODAK, the world'a said a company controlled by Li Ka-Shing of Hoog Kong had largest maker of photographic pcoducts, suffered a 27 per cent agreed to buy a 9.5 per cent fall in net income and a 3 per stake in Kaiaer from the Henry J. Kaiser Family Foundation. cent drop in sales for the first

Manifact Holdings, a Panam-anian concern in which Li, a The company blamed bad economic conditions and foreign Hong Kong entrepreneur and currency translations. Net earnreal estate investor, is a prin-cipal holder, agreed to buy the ings fell to \$181.3m from \$249.1m, or to \$1.12 per share Foundation's 688,044 shares in from \$1.54. Operating earnings declined 29 per cent to \$292.3m

Kaiser. Terms were not disclosed, but pased on the \$18.25 closing price of Kaiser atock on the New York Stock Exchange on Wednesday, the transaction would be valued at about

Li, who controls Cheung Kong (Holdings), the property group, aaid the purchase waa for investment. Mr Walter E. Ousterman, Kaiaer Cement'a chairman, president and chief executive, said he waa pleased to welcome Manifact aa a major ahare-

The Kaiaer Family Foundation has been diversifying its holdings recently. Earlier this week, it announced the aale of 431,000 Kaiser Steel shares. Earlier this month, Kaiser Cement announced aharply higher first-quarter net profits

According to Kaiser Cement, slipped from \$53.5m to \$44.4m. The company has recently been sugering from the recession in the U.S. construction industry. Robert Cottrell in Hong Kong writes: Li is already associated with Kaiser Cemeot through a Hong Kong joint venture called China Cement Company, which is building a cement plant in

> Kaiser owns 40 per cent of the venture, while a consortium comprising Chenng Kong, Green Island Cement and Chinese interests own the rest. Green Island Cement is an associate of Cheung Kong, and

of \$5.51m, or 76 cents a ahare, made profits for 1981 of up from \$3.09m, or 44 cents a HK\$93.7m (US\$16.1m) after Revenues. however, tax,

### Brascan plans extra dividend

BY OUR FINANCIAL STAFF

driven economic recovery is underway by the fourth quarter, when photographic BRASCAN, the Toronto-based energy group, proposes to pay an extra 20 cepts a share in sales are at their seasonal peak. then Kodak should conclude 1982 and hegin next year on a addition to its regular quarterly dividend of 40 centa a share. Both are payable July 31 to expected sales and earnings shareholders registered on

However, Mr Trevor Eyton. the group's president, warned turn, shareholders at the annual Br. meeting yesterday that it will

levels and the company's natural resources operations. He did say that the company underestimated the secrity and duration of the curernt economic down-

Brascan now is reviewing the be difficult for the company in sources subsidiary acquiring cent stake in Consumers Glass. 1982 to equal its earnings last Brascan'a investment in West-Brascan previously had indiversed of C\$107.9m or C\$3.30 a min Resources. Previously the cated it might sell its holding.

president aald Westmin was looking as acquiring the company's position in Brascade.

Discussions are now underway with Caisse de Depot et Placement du Quebec over the combination but he did oot elaborate. The Caisse owos 30 per cent of Brascade.

The company also pow plans question of its Brascade Re- to continue holding its 20 per

### Dart and Kraft earnings fall despite sales increase

told the annual meetlog in first quarter at Dart and Kraft ing of Tupperware, Vanda was not unexpected, said the cosmetics and tolletries and Torooto he was coofident that selling unit, whose 28 per cent of group profits largely reflects quarter sales revenues was due Tupperware household almost entirely to foreign exchange translation. On an plastic containers unit, suffered

> profit due to had weather to the three month period. But the dcop in group earnings, from \$103.4m to \$96.9m or and commercial products div-\$1.77 a share for the period ision fell hv 38.7 per cent, casts doubt on Wall Street fore although sales more than casts that earnings will rise doubled due to the inclusion of

the full year. than half its profits from food lina with long-term trends.

A FALL in earnings in the product sales, with direct sell-28 per cent. Group sales edged

in the opening quarter. The directors attributed the a 10 per ceot fall in operating decline in its first quarter earnings to the weakness in the world economies.

forward from \$2.40bn to \$2.44bn

from \$6.36 to \$8.00 a share for Hohart, acouired in April 1981. Operating profit from Dura-

Formed io 1980 by the cell, the battery subsidiary fell merger of Dart Industries and below the high level of a year Kraft, the company takes more ago, while sales advanced in

### Sharply higher

United Airlines, the largest U.S. increased first quarter net losses of \$129.3m or \$4.37 a share, directors, in view of the general Coppercraft jewellery and against a loss of \$21.3m or 72 economic recession. The direct cookware turning in a further cents a share in the comparable period.

year, UAL registered a net loss of \$65.1m or \$2.20 a share, making a loss for the full fiscal 1981 year of \$70.5m or \$2.40 a sbare.

### Intel now challenges the computer majors

BY LOUISE KEHOE IN SAN FRANCISCO

a share of the business com- determined by Intel's customers puter market.

computer system designed for who design programmes to run general purpose husiness use on the computer to give it a This follows the company's peoprietary personality. entry into the commercial computer systems business in market for its new system is February with a data base worth close to \$3bn a year by management system. 1985. "If we get even 10 per

The new computer—called a cent of that we will be doing transaction processing system fine," states Mr Joseph A. (TPS)—is geared towards commercial and industrial applica- market development manager.

AIR FLORIDA SYBTEM

INTEL. THE California elections where it could be used tronic chip maker, is taking on for order entry, billing, petition to contend with in the lem and the other majors of the accounts and the like. Its final form of Digital Equipment Corporation and other TIC Minicomputer industry 10 fight for applications, however, would be poration and other U.S. Minisuch as software houses, and

Intel believes the potential

computer makers.

To pit itself against the giants Intel has announced its first computer systema integrators of the computer business, Intel has hired talent away from them. Mr Huseonica, who spent 15 years working for Burroughs Corporation, believes that Intel - coming fcom the fast-paced semiconductor market - is well placed to shake up some of the bureaucratically hogged down computer companiea A selling point for the new

Intel system will be that it

already incorporates much of the software programming needed to turn it into a fully operational computer. Intel has contracted with Infomatics Inc of Woodland Hills, Calfornia to supply their termical applications processing aoftware (previously available only for large computers) for TPS.

According to Mr Huseonica, this programme reduces the system development time by 40 per cent to 50 per cent, allowing the systems integrator to faster and with less expense.

It has arranged a line-up of

np to \$50m through the U.S. investment bouse Goldman Sachs, while dally administration will be handled by Skandinavlska Enskilda Banken In Gothenburg which will also provide a back-up line of credit. commercial paper Tbe

market has been used increasingly by European horrowers as a means of arranging finance in U.S. currency at mncb lower cost than that normally available in the Euromarket, hnt to date the borrowers bave generally been large public and private sector corporations and banks.

Gothenburg bas heen awarded the top A1-P1 rating by the two U.S. rating agencies—Mondy's and Standard and Poor's-for Its paner. A ton rating Is normally considered a pre-requisite for the issue of commerical paper which is beld as a liquid investment by major U.S. corporations.

By Terry Byland

profit at its savings and loan subsidiary hoosted third quarter profits at Entex. the Houston based company whose operations lie mostly tn the energy business.

Geonp earnings rose by one fifth to \$21.6m or \$1.02 a share on revenues of \$399.9m, against \$320.7m. For the nine

\$659.000 for the comparable

#### Du Pont's Eurobond hit Hoover edges by deteriorating market back into the black

By Richard Lambert In New York cent Eurodollar bond appeared victim of s deteriorating appliance group, bas returned market and a coupon widely the market. to the black with a net profit of \$644,000, or 5 cents a share. regarded as too low. for the first three months of

A number of market partici-1982—its first profit after three consecutive quarters of losses during 1981. The figure pants, including Credit Suisse First Boston, the lead-manager, said the paper was trading at a discount of as much as 21 per cent against its issue price of par. Du Pont bonds have been hurt by the enormous flow of new issues this week.

One co-manager said yesterday that Du Pont was "a wonderful name," but was suffering because of a "mispriced coupon." "No matter how good a name you are, there are still limits to what you can do in the market," the manager

to purchase this bond when to be floundering leat night, the they can obtain better returns on equal quality new issues in

The state of the primary sector bas been paramount among the factors affecting Du Pont. A total of \$1.8bn of paper has been launched this week, leading to "indigestion." Prices of recent Eurodollar

bonds fell on average yesterday the Reagan budget is seriously worrying the market. The EEC is making its dehut

rowers. Daiws Securities is leading the Y20bn 10-year isaue and a coupon of less than 8 per cent is likely.

DU PONT'S new \$200m 131 per Pont, are said to be reluctant night for the Canadian Imperial Bank of Commerce Mortgage Corporation, a CIBC subsidiary. The coupon will be 164 per cent and lbe managers are Hambros Bank and CIBC.

Prices of Euro D-mark bonds were unchanged to slightly lower in moderate trading yes terday, while the Swiss franc-bond market picked up on average by | point. News of a reduction in Swiss short-term by 1 to 1 point in light trading. deposit rates came too late to ...
The impasse in Washington over affect trading, but should provide much encouragement to-

The Asian Development Bank in the Samural bond market— is launching a SwSf 100m ten-the Yen sector for foreign bor- year issue through Union Bank of Switzerland. The bonds will yield around ? per cent. The Council of Europe'a

SwFr 60m ten-year issue was priced through Banca del Got-Said.

Meanwhile. in the Canadian priced through Banca del GotEven Swiss investors, who dolar sector a C\$50m five-year tardo yesterday, with a 7½ per normally favour issues from Du deal was being prepared last cent coupon at par.

### Pan-Arab banks in Egyptian loan

BY RICHARD JOHNS, MIDDLE EAST EDITOR

EGYPT HAS achieved what appeara to be a significant breaktbrough towards reconciliation with the rest of the Arab world in the financial sphere with the participation as co-managers of four Pan-Arab banks in a \$200m stand-by credit lead managed by Chase Manhattan.

Among the co-managers are Uoion de Banques Arabes et Francaises, European Arab Bank, Arab African International Bank, and United Gulf Bank.

The syndication mandated by the National Bank of Egypt ia the first auch issue raised for Egypt since the \$250m Euroilollar loan, also arranged by Chase Manhattan in 1977 well before Cairo's rupture with all but three Arab states on account of the peace treaty concluded with Israel in April 1979.

participant from the political point of view is the Paris-based UBAF whose sharebolders include institutions of some of the more radical states calling for Cairo's renunciation of the Camp David Accords. They include the Commercial Bank of Syria, the Libyan Arab Foreign Bank, and the Banque Exterieure d'Algerie. The Central Bank of Egypt also has a atake.

UBAF, together with the European Arab Bank and Arab African International Bank, pulled out of a \$300m issua which was being arranged in the spring of 1979 and never materialised as a result.

Egypt has a substantial atake in the European Arab Bank for the supply of tracks. A and in particular the Arab duration of five years nine African international Bank, months and a 1½ per cent which is 42.4 per ceot owned spread above Libor is envisaged.

Perbapa the most surprising by the Central Bank of Egypt and still has its beadquarters in Cairo. United Gulf Bank is predominantly owned by Kuwaiti institutions and Individuals.

The facility involved is a

two-year revolving standby with option of an extension for one year. It bears a margin of 1 per cent over London Inter Bank offered rates (Libor) for the first 18 months with 1 per cent thereafter.

It is also understood that the Jeddah-based Saudi Cairo Bank. 40 per cent owned by the Banque du Caire, may participata in another DM60m deal being planned by the National Westminster Bank for Egyptian Railways in connection with a prospective contract for Thysseo

### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday May 12.

Closing prices on April 29

	U.S. OOLLAH	Change on	
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Ca-Ban Eurofin 51, 91	O3,	9874	999-1	4.710		12.04	
LIBERT AUTICNIA SA 97	OL-	994	997, 2	4/6	12,44	12.14 15.53	
Ligarit Lynnnain 51, 97	na.	991	100	1/10	10		
Credit Nat. 54 94 Oenmark, Kngdm. ef 9 Oen Naraka Cred. 54 9	±014	981.	994	976	14.63	16,04	
Genmark, Kngdm. at 9	2 0514	1992	995 2	5/2	15.44	15.54	
Oan Naraka Cred, 51, 9	3 04	973.	043.	R 16	15 <i>.4</i> 4 13.56	13.84	
Gennance 54 92		991.	100 3	210	15 <sup>7</sup> 2	15.54	
GZ 8 54 92	. +014	983	993.	2/5	14.94		
ING. 23NK JODAN 54 8	8 D-	997	995	B/6	13.31	13.40	
Llevde Eurolin 53, 02	COI.	99	881, 2	9/4		17.26	
LTC2 Japan 51, 99	C1	23 201 33	994, 1	2/7	15,31	15.41	
MIGIANG INC. Prn. 9 97	. 04	99	997,	0/4	17.06	17.19	
NGC, WORK, FIR. 54 91	. SD2.	. 563	2029-1	2/7	15.19	<b>T5.28</b>	
New Zealand 54 87	014	895	997	7/10	15.56	15.62	
Nicoon Credit 51, 90	OL-	994	993, 1	0/8	12.05	12.14	٠,
Nerdic Int. Fin. 54, 91	O14	983	399	e/5	15%	15.10	
Offebore Mining 54 S	1 024	987	333	2/6.	13	13.11	
PKbenken S 81	. 04	PAR.	901, 1	7/6	14%	14.52	
Sec. Pacific 54 91	. 04	985	992 2	3/9	153,	15.55	
Seciete Concerts Ft of	. O.	987	993. 2	4/5	234	<b>13.37</b>	• •
Standard Cham 57 9	5 04	our.	gaz.	1/9	15,31	15,47	
Secrete Generals 54 9 Standard Chart, 54 2 Sumitomo Fin, 51 88	03	267	99 1	e/a	12.31	13.48	
Sweden 57 89	. 04	994	100%	9/8	1a	18.02	•
Sweden 54, 89 Toronco Osmin'n 54, 93	5 07	94	902. 2	6/8	1a_31	10.43	
Average price char	HORE	On di	997_1	1/6	163	12.44	
			0 04	4494		٠	
COMVERTIBLE	Cnv.	Cnv.			Chg.		•
aonos	date		. ald	Offer	day	Prem	•
Ailnometo 54, 96	. 7/61	977	202,	92	- Ó-	6.31	
DOW VALIDY INV. 28 95 .	4/87	77 17	967	9814	Ŏ.	58.57	
aridgestene Tire 51, 9	B 3/82	470	947	94	+05		
Canon 64 95 Osiwa Secs. 51, 96	. 1/81	829	90	91%	0	14.04	
Oliwa Sect. 5-7 95	.12/81	513,3	164	56	-0,2	-1.61	
rujnsu renuc 45 96	.10/81	5441	9612	667	-0%	8.22	
Futukawa Flac. 5% 98.	. 7/81	300.	98	997.	0	-3.02	
Hanson O/S Fin. 91, 9	6 e/81	1_36	†84 <sup>2</sup> ,	46°	+0%	− 7.75	
Hitachi Cable 54 95	. 2/82	. 812	867	: 584	-04	7.75 1.44	÷
Hitachi Cred. Con. S 9 Hende Meter 5½ 87	5 7/81	1612	824	842	-01, -13, -2 +01,	2.77	
mende Meter 5½ 87	3/82	841	87	89	-2	-0.72	
INCHEADO & SS	2/21	4 55	163	65	+012	28.05	
Kewasaki 54, 96	. B/81	229	702	713.	-11-	1.13	Ξ.
Marul 6 96 Minelte Cemera 5 95	. 7/8 <del>1</del>	846.4	95	99	-02	- 2.74	į.
Mineite Cemera 5 95	.10/87	876.4	60	612	- 02,	17.46	-
Minerca 94 97	. 5/82	8.16	187	887	+0%	15.30	
Murata 54 96	. 7/81	2164	807	521	-12	16.91	
NKK 61, 96	. 7/81	. 188	85	263.	- nx	11.85	
			63	65	-0-	4,11	
Nippen Electric 51, 87	. 2/82	846	874	201.	-14	. 3	
Orient Finance 51, 87	3/82	1205	331	067	-04	. 257	٠,
Senyo Electric S 98	10/81	652	72			13.22	7 }
Sumitomo Flec. 54, 97.	3/82	577.3	88	201	-04		3
Sumitamo Met. 51, 98.	10/81	296 1	64	00.1	-04	2.82	
Swise Bk. Con. 64. 90	6/61	284	74	60.5	+0.	11.52	
Konishiroku 2 90 OM	7.00	- 191		76	0	22,70	
		- 200	102	1034	5	4.59	

"No information evaliable—previous day's pride.

† Only one marker maker supplied a price.

Straight ander The yiold is the yiold to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week - Chonge over price a week earlier. Pleating Rate Notes: Oncommented in dellars unless otherwise indicated. Coupon shown is minimum. C. othe - Pater next coupon becomes effective. Spread - Margin above six-month offered rate († three-month; § shows mean rate) for U.S. dellars. C.con - The current coupon. C.vid - The current yield.

Convertible Bonds: Occommented in dellars unless otherwise indicated. Chn. dev - Change on day. Cav. January First data for conversion into shares. Cav. prices. Nominal amount of bond per share excessed in Currency of share at conversion rate fixed at large. Prem - Percentage premium of the current effective prible of sequining shares we his bond over the recent recent, price of the shares. No information svailable—previous day's price.

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Mr Eyton declined to make a specific estimate because of uo-

loss at UAL By Our Financial Staff UAL, holding company for

The latest setback is the more disappointing in that some recovery had been expected the

The U.S. airline industry was badly hit last year by the general recession, the air controller's strike and the bout of fare discounting among the major companies.

### S and L unit boosts Entex

A SUBSTANTIAL gain in

months, earnings now at and at \$35.1m against \$36m. University Savings Association, the wholly-ewned savings and loan offshoot, turned in earnings of \$2.1m for the third quarter, against only

#### NORTH AMERICAN QUARTERLY RESULTS

AIR FLORIUA STEICH	J		SHUCK INTERIOR	
First quarter Revenus Net grofits Net por shere  †Lose.	114.7m	5,000	Revenue Net pereits Net pereits Six months Revenue	1981- 578.4 74.33 1.1 1.31 145.5
First quarter Revenue Net prehts	1982 \$ 73 6m 32.8m 0.71	1981 \$ 50.8m 16.1m 0.2i	BANGOR PUNTA  Socond quarter	1981- 159.2
AMERICAN NATURAL  First quarter Revenue Net profits Net per share	1982 \$ 1.06bn 79.9m	1961 \$ 889.1m 77.9m 3.34	Net per abare	9.73 1.3 NAD
ANHEUSER-BUACH CO	S.		First guarter	198: S
First quarter Revenue	50.6m	1961 \$ 1.07 bn 41.2m 0.86	Revenue Net orofits Net per share CENTRAL TELEPHONE &	1982
AVNET INC.	4004.00	1000 01	First quarter	
Third quarter Revenuo Net prolite Net por share Nine months Revenue	13.75m 0.79 838.2m	S 266.1m 13.62m 0.78 793.7m	Net por ehare	1987 9
Nai profits	42.78m	45.25m	Net orefits 1	1.29

BAKER INTERNATIONA	L	
	1981-82	1980-81
accord querter	S	S
		512.8m
Revenue		
Net profits	74.33m 1.08	0.78
Net per chare	1.06	0.76
Six months		
Revenue		
Not profits		
Net pet share	2.14	1.40
BANGOR PUNTA		
	1981-82	1980-81
Second quarter	S	5
Revenue	159.2m	201.2m
Net profits	1. <b>2</b> 1 m	7.38m
Net per abore		1.00
Six months		
Revenue	355.7m	399.3m
Net profits		
Net cer chare	1.34	2.26
BELL TELEPHONE OF C		
	1982	1981
Anst guarter	S	\$
Revenue		
Net orofits	1 <b>59</b> .Sm	117.Bm
Net per share	0.84	0.64
CENTRAL TELEPHONE &	UTILITA	ES
	1982	1981
First guarter	2001	S
Pevenuo		
Not profits		
Vet profits		0.86
		V.60
HAMPION SPARK PLU		
	1982	1981
First quartet	9	S

CORROON AND BLACK		
	1982	1981
First quarter		\$
Revenue	43.Sm	<b>38</b> .7π
Net prefits	4.55m 0.59	3.51m 0.49
	0.59	0.4
OEAN FOODE		
	1982	1981
Fire1 quarter	<u>\$</u> _	S
Revenue	184.7m 3.73m	121.€π 4.24π
Net profits	0.62	0.70
Wet der Busie	U.82	0.71
OU PONT CANADA		_
	1982	1981
Firm quarter	S	S
Revenua	247.3m	
Nel profits	†1,24m	14.74π
Net pot share	10.16	1.86
FARENGE INC.		
First quarter	1982	1981
Rovenue	54.9m	54.2m
Net profits	576.000	
Not per share	0.10	0.12
GENENTECH		
	1982	1987
Fire1 quarter	S	\$
Revonue	B.48m	3.97#
Net prefits	50.C30	
Net per share	0 01	0.C1
JOHNSON AND JOHNS	ON	
	1982	1981
First quarter		
Revenue	1.49bn 155.7m	1 36bn 121.3m
Net profits	196.711	121.3m 0.63

		LACLEDE STEEL			NORTHERN STATES PO	WER
2	1981		1982	1981		198
	S	Fire1 quarter	9	2	Fire1 quarter	5
n	38.7m	Rovenuo	54.0m	68.8m	Revenue	476
П	3.51m	Net profits		2.75m	Net profits	53.0
3	0.45.	Net per share	<b>†1.43</b>	1.24	Net per shere	1.
_		†Loss		. '		
2	1981		<del></del>	<del></del>	OGOEN CORPORATION	
6	130 I	MARYLAND CUP CORP	DRATION	1		
п	121.6m		1981-82	1960-21	First super	195
77	4.24m	Second quarter	\$	S	First quarter	S
2	0.70	Revenue	15Q.3m	143,4m	Revenue	538.9
_	3.75	Nel prefits	4.53m	4.42m	Net prolits	<b>15</b> .13
		Net por shato	0.67	0.66	Net per share	1.
7	1981	Six months			l	
•	S	Revenue		274 5m	PANHANDLE EASTERN	
n	283.1m i	Net profits		8.13m		
n	14.74m	Not per share	1,25	1.21	51=1 august.	198
Ë	1.86				First querter	
•	1.20	McGRAW-EDISON			. Revenue	958.E
_	—— i		1982	1981	Nel profits	
_		First quarter	\$	5	Nel per chore	1.4
2	1981	Revenue	554m	566m	\ <del></del>	
	S	Net profits	10.1m	21.1m	PEABOOY INTERNATION	NAL
П	54.2m	Net per chare	0.80	1.29	Second quarter	
0	862,000					\$
Ō	0.1a	MESA PETROLEUM			Revenue	138.5
_		MESA CENTOLEOM			Not oer share	1.41 C
-	400-		1982	1981	Six menths	~
į	1981	_ First querter			Revenue	241 2
_	3.97m	Revenue	104.1m	103. <u>2</u> m	Net profits	2.70
ņ	79.C30	Net profits		29.Bm	Nel per share	6.
ĭ	0.01	Net per share	0.44	0.43		٠.
<u>"</u>	0.01				PUROLATOR	
		NOBLE AFFILIATES			PONOLATOR	
_	1981		1982	1981		198
-	\$	First querter	\$	Š	_ First quarter	\$
ri	1 36bn	Revenue	114.7m	88.7m	Revenue	188.1
п	121.3m	Net profits	22.44m	1 <b>8</b> ,C5m	Nat Prafrts	
3	065	Net per shars	0.50	0.41	Not por shees	0.9
	4					

		_	NONTHERN ATAIEA PO	AAEU	
	1982	1981		1982	1981
l quarter	9	2	Fire1 quarter	S	1301
uo	54.0m	68.8m	Davanus quarter		
rofits		2.75m	Revenue	476m	357. Im
et spare	11.43	1.24	Net profits	53.0m	39.1m
	1142	1.24	Net per shere	1.66	1.22
		<del></del>	OGOEN CORPORATION		
YLAND CUP CORP	ORATION	1			
	1981_92	1960-21		1982	1981
ond quarter	5	\$	First quarter	S	\$
	150.3m	143.4m	Revenue	538 Qm	571 1m
			Net prolite	15.12m	15 69-
refris	4.52m	4.42m	Net per share	1.20	1.27
or shato	0.67	0.66	I was been sues with which	1.50	1.27
months	~~~	***			
IU0			PANHANDLE EASTERN		_
rofits		8.13m		1000	
er share	1,25	1.21		1982	1981
	•		First querter	\$	\$
AW-EDISON	_		.Revenue	958.6m	875.7m
ANTI-EDIOUIA			Nat profits	73 4m	77.8m
	1982	1981	Nel per chore	1.08	1 97
et quarter	\$	S		1.00	1 3/
ue	554m	566m	l		
	337111	200M			
erofits	10.1m	21.1m	PEABOOY INTERNATION	NAL	
profits	10.1 m	21.1m	I <del></del>		
			Second quarter	5	2
erefits	10.1 m	21.1m	Second quarter Revenue	\$ 138.5m	1C3.1m
profits	10.1 m	21.1m	Second quarter Revenue	\$ 138.5m 1.41m	_
erefits	10.1m 0.80	21.1m 1.29	Revenue Net prefits Not oer share	\$ 138.5m 1.41m	1C3.1m 1.23m
PETROLEUM	10.1m 0.80	21.1m 1.29	Revenue Net prefits Not oer share Six menths	\$ 138.5m 1.41m C.13	1C3.1m 1.23m 0 12
PETROLEUM	10.1m 0.80 1982 S	21.1m 1.29 1981 5	8econd quarter Revenue Net prefits Not oer share Six menths Revenue	\$ 138.5m i.41m C.13 241.3m	1C3.1m 1.29m 0 12
PETROLEUM	1982 \$ 104.1m	21.1m 1.29 1981 \$ 103.8m	8econd quarter Revenue Net prefits Not oer share Six menths Revenue	\$ 138.5m i.41m C.13 241.3m	1C3.1m 1.29m 0 12 2C3.5m
PETROLEUM st querter	1982 \$ 104.1m 33.2m	21.1m 1.29 1981 \$ 103.8m 29.8m	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits	\$ 138.5m 1.41m C.13 241.3m 2.76m	1C3.1m 1.23m 0 12 2C3.5m 2.95m
PETROLEUM	1982 \$ 104.1m	21.1m 1.29 1981 \$ 103.8m 29.8m	8econd quarter Revenue Net prefits Not oer share Six menths Revenue	\$ 138.5m 1.41m C.13 241.3m 2.76m	1C3.1m 1.29m 0 12 2C3.5m
PETROLEUM  A PETROLEUM  St quarter  profits  er share	1982 \$ 104.1m 33.2m	21.1m 1.29 1981 \$ 103.8m 29.8m	Second quarter Revenue Net prefits Not cer share Six menths Revenue Net profits Net per share	\$ 138.5m 1.41m C.13 241.3m 2.76m	1C3.1m 1.23m 0 12 2C3.5m 2.95m
PETROLEUM st querter	1982 \$ 104.1m 33.2m	21.1m 1.29 1981 \$ 103.8m 29.8m	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits	\$ 138.5m 1.41m C.13 241.3m 2.76m	1C3.1m 1.23m 0 12 2C3.5m 2.95m
PETROLEUM  A PETROLEUM  St quarter  profits  er share	1982 \$ 104.1m 33.2m 0.44	21.1m 1.29 1981 \$ 103.2m 29.8m 0.43	Second quarter Revenue Net prefits Not cer share Six menths Revenue Net profits Net per share	\$ 138.5m 1.41m 0.13 241.3m 2.36m 0.25	103.1m 1.29m 0 12 203.5m 2.95m 0.27
PETROLEUM  A PETROLEUM  SE QUEITER  SE QUEITER  PORTE  PORTE  E AFFILIATES	1982 1982 104.1m 33.2m 0.44	1981 1981 1981 103.2m 29.8m 0.43	Second quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Net per share PUROLATOR	\$ 138.5m 1.41m C.13 241.3m 2.76m 0.25	103.1m 1.29m 0 12 203.5m 2.95m 0.27
A PETROLEUM st querter super share super s	1982 \$ 104.1m 33.2m 0.44	1981 5 103.2m 29.8m 0.43	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Net per share PUROLATOR	\$ 138.5m 1.41m C.13 241.3m 2.76m 0.25	103.1m 1.29m 0 12 203.5m 2.95m 0.27
PETROLEUM  A PETROLEUM  St querter  Jule  PROFITS  E AFFILIATES  t querter	1982 1982 104.1m 33.2m 0.44	21.1m 1.29 1961 \$ 103.2m 29.8m 0.43	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Nel per share PUROLATOR  First quarter Revenue	\$ 138.5m i.41m C.13 241.3m 2.36m 0.25 1982 \$ 188.1m	1C3.1m 1.29m 0 12 2C3.5m 2.95m 0.27 1981 5
A PETROLEUM  A PETROLEUM  St querter  profits  E AFFILIATES  t querter  ue	1962 \$ 104.1m 33.2m 0.44 1982 \$ 114.7m 22.44m	21.1m 1.29 1981 5 103.9m 29.8m 0.43 1981 5 88.7m 18.65m	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Net per share  PUROLATOR  First quarter Revenue Nat prefits	\$ 138.5m 1.41m C.13 241.3m 2.36m 0.25  1982 \$ 188.1m 2.37m	1C3.1m 1.29m 0 12 2C5.5m 2.95m 0.27 1981 5 168 9m 5.86m
A PETROLEUM st querter super share super s	1962 \$ 104.1m 33.2m 0.44 1982 \$ 114.7m 22.44m	21.1m 1.29 1961 \$ 103.2m 29.8m 0.43	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Nel per share PUROLATOR  First quarter Revenue	\$ 138.5m 1.41m C.13 241.3m 2.36m 0.25  1982 \$ 188.1m 2.37m	1C3.1m 1.29m 0 12 2C5.5m 2.95m 0.27 1981 5 168 9m 5.86m
A PETROLEUM  A PETROLEUM  St querter  profits  E AFFILIATES  t querter  ue	1962 \$ 104.1m 33.2m 0.44 1982 \$ 114.7m 22.44m	21.1m 1.29 1981 5 103.9m 29.8m 0.43 1981 5 88.7m 18.65m	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Net per share  PUROLATOR  First quarter Revenue Nat prefits	\$ 138.5m 1.41m C.13 241.3m 2.36m 0.25  1982 \$ 188.1m 2.37m	1C3.1m 1.29m 0 12 2C5.5m 2.95m 0.27 1981 5 168 9m 5.86m
A PETROLEUM  A PETROLEUM  St querter  profits  E AFFILIATES  t querter  ue	1962 \$ 104.1m 33.2m 0.44 1982 \$ 114.7m 22.44m	21.1m 1.29 1981 5 103.9m 29.8m 0.43 1981 5 88.7m 18.65m	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Net per share  PUROLATOR  First quarter Revenue Nat prefits	\$ 138.5m 1.41m C.13 241.3m 2.36m 0.25  1982 \$ 188.1m 2.37m	1C3.1m 1.29m 0 12 2C5.5m 2.95m 0.27 1981 5 168 9m 5.86m
A PETROLEUM  A PETROLEUM  St querter  profits  E AFFILIATES  t querter  ue	1962 \$ 104.1m 33.2m 0.44 1982 \$ 114.7m 22.44m	21.1m 1.29 1981 5 103.9m 29.8m 0.43 1981 5 88.7m 18.65m	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Net per share  PUROLATOR  First quarter Revenue Nat prefits	\$ 138.5m 1.41m C.13 241.3m 2.36m 0.25  1982 \$ 188.1m 2.37m	1C3.1m 1.29m 0 12 2C5.5m 2.95m 0.27 1981 5 168 9m 5.86m
A PETROLEUM  A PETROLEUM  St querter  profits  E AFFILIATES  t querter  ue	1962 \$ 104.1m 33.2m 0.44 1982 \$ 114.7m 22.44m	21.1m 1.29 1981 5 103.9m 29.8m 0.43 1981 5 88.7m 18.65m	Second quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Nel per share PUROLATOR First querter Revenue Net prefits Not per share	\$ 128.5m i.41m C.13 241.3m C.13 2.75m 0.25 1982 \$ 188.1m 8.37m 0.97	1C3.1m 1.25m 0 12 2C3.5m 2.95m 0.27 1981 5 166 9m 5.86m 0.87
A PETROLEUM  A PETROLEUM  St querter  profits  E AFFILIATES  t querter  ue  profits  t querter  ue  er share	1962 \$ 104.1m 33.2m 0.44 1982 \$ 114.7m 0.50	21.1m 1.29 1981 103.2m 29.8m 0.43 1981 88.7m 18.65m 0.41	Second quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Nel per share PUROLATOR First querter Revenue Net prefits Not per share	\$ 128.5m i.41m C.13 241.3m C.13 2.75m 0.25 1982 \$ 188.1m 8.37m 0.97	1C3.1m 1.25m 0 12 2C3.5m 2.95m 0.27 1981 5 166 9m 5.86m 0.87
A PETROLEUM  A PETROLEUM  St querter  profits  E AFFILIATES  t querter  ue	1962 \$ 104.1m 33.2m 0.44 1982 \$ 114.7m 0.50	21.1m 1.29 1981 5 103.8m 0.43 1981 5 88.7m 18.65m 0.41	8econd quarter Revenue Net prefits Not oer share Six menths Revenue Net profits Net per share  PUROLATOR  First quarter Revenue Nat prefits	\$ 128.5m i.41m C.13 241.3m C.13 2.75m 0.25 1982 \$ 188.1m 8.37m 0.97	1C3.1m 1.25m 0 12 2C3.5m 2.95m 0.27 1981 5 166 9m 5.86m 0.87

Financial Times Friday April 30 1982

Companies and Markets

### INTERNATIONAL COMPANIES and FINANCE

Terry Dodsworth reports on the French construction group with big ideas

### Bouygues champions red-blooded capitalism

many opponents of nationausa-tion claim, it would have many more companies like Bouygues. it, but that they had a pretty Virtuolly unknown until a good model to go by if they wanted to succeed. to the international construction industry scene with huge pro-jects such as the \$1.9bn Riyad

University project or the FFr 4.5bn (\$726m) power station in Nigeria. Its latest idea, for a FFr 35bn (\$5.6bn) Channel Bridge, gives a flavour for the sort of com-pany it is. Bouygues likes the big, glamorous schemes that catch the eye and yield tasty

The company is a post-war creation, founded in 1951 by M Francis Bonygues, a burly, hard-driving engineer, who has elbowed it ruthlessly into the front ranks of the industry. In the last five year, its growth bas been explosive, with sales rockgeting from FFr 2.9bn in 1976 to FFr 10.5bn last year, one lung, M Bouygues is clearly Profits have followed, from preparing the way for an FFr 18.2m net to FFr 219m, eventual family succession. He generating healthy cast-flows and enabling the company to pay about FFr 370m from its own resources for Drouot, the

insurance company. Along this dizzy growth path, M Bouygues has made enemies and run into plenty of criticism. The company was accused of having strong—some said too strong—links with the Gaullists. It has also been attacked for group of favoured company to see where Drouot fits in. faithfuls who subscribe to a sort of Scouts' code ("We are a fighting community welcoming any challenge," says Article No off the criticism. He believes in the family style of manage-

over was virtually irrelevant.

1F FRENCH capitalism were at Bouygues. Asked recently the red-blooded animal that about the future of the commany opponents of nationalisation claim, it would have many could do what they liked with

mincing bis words. When M Andre Giraud, Industry Minister in the last government, crossed bim in a project to expand the group's offshore activities, be unbesitatingly unleashed a strong verbal rebuke in public. He is also highly critical of the present govern-ment's employment policies, attacking both the decision to relax pressure on immigrants to leave France, and the idea of reduced working bouts.
"What people want are longer says. working bours," he says, this generate more activity

At 59, after a serious operation that left him with only one lung, M Bouygues is clearly has two sons, Nicolas and Martin, both in their early 30s, already in senior positions in the company. But what sort of company does be want to leave behind? This is the question agitating the Paris Bourse after the group's recent, and con-tested, bid for Dronot, one of France's largest private insurance groups.

wealth.

The character of the group its paternalistic employment has changed so rapidly in system, which includes a special recent years that it is not easy

Until 1970, when Bouygues went public, the company was little more than a highly ambitious building concern that 6) in return for special benefits. had ridden the wave of expan-M Bouygues, however, sbrugs sion in Gaullist France with great skill. As France lanuched its rebuilding programme, it For him, the recently bad steadily grown from connationalised French companies struction in the Paris area, to were already bureaucratisen to regional development throughsuch an extent that State takeout the country.



glamorous schemes. Its latest idea is a FFr 35bu

promotion

after-tax profits have soared

FFr 219m as a result of its

plan for a Channel bridge.

taken a big share of the

But foreign business forms

an important part of its overall expansion plan. Concentrating on Francophone West Africa

sales from FFr 311m in 1976

Yet M Bouygues is clearly

conscious that the overseas business is fairly high risk De-

Iran and Iraq, where the politi-

cal dangers are obvious; or in

BY OUR FINANCIAL STAFF

GHH, the major West German

fiscal year which ends in June

compared with the same period

board member, said in Han-

nover, that earnings, however,

were not keeping pace with

In the first nine months

GHH's order inflow totalled

DM 15.4bn, up 18 per cent from

DM13 04bn, foreign orders shot

up 23.8 per cent to DM 9.1bn.

while domestic orders climbed 10.5 per cent to DM 6.3bn.

Herr Siegfried Schiffbauer,

f the previous year.

turnover growth.

first nine months of the current 1980-81. . . .

from FFr 18.2m to

appetite for the big,

where its recently-

Maisons Bouygnes

system has quickly

nuclear power stations, always building, formed a big part of its order launched formed a big part of its order

But in the last decade Bouygues has been gradually growing an international divi-sion to balance its activities in France. It realised that its increasing size made it particularly vulnerable to any downand the Middle East, it has turn in the market which was rapidly expanded its overseas to be expected after the wave of Gaullist-inspired expansion to FFr 2.7bn last year. This ad passed.

year it expects to generate
This period of reduced FFr 5.2bn in foreign markets. bad passed.

activity seems to have arrived. While France still has a big nuclear power programme, and President Mitterrand enter- spite the reportedly tough com-tains some very ambitious ideas mercial practices of the comfor public buildings in Paris, pany, which apparently insists few analysts helieve that the on substantial forward cover pace of the 1960s and early for its projects, it has generated 1970s can be maintained. Last ated much of its turnover in year Bouygues' public works programme in France fell marginally for the first time in marginally for the first time in West Africa, where the econo-its history, and is expected to mic fragility of the different drop by another 10 per cent countries is an equal problem. this year.

This anxiety does not mean The company is trying hard that Bouygnes might backtrack ut the country.

to maintain growth in sectors on its overseas growth. On the Public contracts, whether for which are still lively, such as contrary, it has big plans for He wants something different council housing, motorways or public housing or private house- development, both territorially likes.

and expand in Nigeria—and in the type of services it offers. M Bouygues believes that the company's future in international construction lies in its M Francis Bouygues (left) into the front ranks of the brain power, in the application of more sopbisticated design French construction and management techniques.

But however cerebral the industry. In five years. company becomes, it does not after the factor of risk—and it is this, says M Bonygues, but is this, says M Bonygues, but has prompted the takeover of Drouot. "The insurance industry," he says, "exists in eliminating risk. If there is a risk. you insure against it. It provides the perfect balance for our

> This argument has not won universal acceptance. The Nouvel Economiste, the respected weekly business magazine, remarked recently that it was unconvincing. But M Bouygues is sticking to his guns, and talking about further diversifications—into new techno-logy areas, for example—if the right opportunities present themselves.

> In the meantime, it is not at all clear whether Bouygues will manage to gain control of Drouot, the insurance company's former owners, who controlled the company through a complex system of bolding operations, called foul play when Bouygues found a way through its web of cross-sbare boldings. They later took the matter to court.

The issue is still frozen, and the judgment will probably take another two months to come through. During that period. Bouygues' investment will lie tied up in a bank ready to be paid back if the deal is nullified. M Bouygues, who likes a scrap, is patently amused to find him self under attack in a situation where he believes be cannot

'If we lose the court case, we get the money back," be says, "If we win, we get Drouot."

The group's order backlog on

· Krupp Stahl, the West Ger-

over P. W. Lenzen of Isarlohn

a smail producer of cold-rolled speciality steel. The companies

said yesterday the acquisition must still be approved by both

the European Commission and

the West German Cartel Office.

The purchase price was not dis-

Lenzen has about 320 employ-

ees and annual sales of about

#### Turnover at Nestle hit by strength of franc

By John Wicks in Lugano

NESTLE, the Swiss foods group, estimates that turnover has dropped by 6 to 7 per cent in the first quarter of this year, mainly because of the strength of the franc. Mr Heimut Mancher, managing director, said turnover had also been affected both by the world recession and the divestment of unprofit-

able operations. It should not be assumed that earnings would develop In the same way. No dramatic changes were anticipated for

profits fo rihis year, he said. Last year net profits rose by 41 per cent to SwFr 964m (\$494.4m), a performance that Mr Maucher described as a "normalisation" of profits for this year, he said. of 1980.

Nestle is to continue its efforts to improve earnings potential, concentrating on profitable product groups and selling off or closing down long-term loss activities. Last year the major divestment was the canned fruit and vegetable operation of the U.S. subsidiary. Libby.

Nestle has introduced "a more restrictive" investment policy. In 1981 canital expenditure dropped from SwFr 1.21bn to SwFr 1.11bn.

#### Reksten tanker subsidiary to he wound-up

By Fay Gjester in Oslo

HADRIAN, a subsidiary company of the troubled Reksten tanker group, is being wound np as a result of the recent agreement settling the Reksten affair. Under the deal between the

Norwegian state-backed guar-antee institute (GI) and Reksten's creditors, including Hambros Bank, the foor large tankers operated by Hadrian were taken over by other parties. This left Hadrian with a large accumulated deficit — NKr 567m (\$93.4m), at end of 1921, and no assets. Two of Hadrian's tankers were accurred by Hambros Rank and will in future be operated on the hank's behalf

hy Trajan. Hadrian's parent company. Trajan wili also manage five other Reksten ins aconired Hambros has a 10 per cent stake in Trajan, which also one of Hadrian's other two

ships has been taken over by the Norwegian shipping company Bergesen and the other by an ad hoc partner-ship comprising the Norwes-ian companies holding first priority mortgages in the

### Aerospatiale sees strong recovery

AEROSPATIALE confirms the

figure of FFr 119m (\$19m). General Jacques Mitterrand, Aerospatiale is the French
who was seconded from the partner. French Air Force to head the The company plans capital state-owned aerospace group investments of FFr 1.2bn this when it was suffering beavy losses in the mid-1970s, said its outstanding bank debts have been slimmed to about FFr 600m

from FFr 2.2bn a year ago. to Turnover increased FFr 16.5bn from FFr 13.2bn and the company's order book at the state of European co-operation end of the year was up to in both the civil and the military FFr 46bn from FFr 34bn.

General Mitterrand, younger sharp recovery in its financial brother of the French President, position over the last three years was cautious about prospects for by announcing provisional 1981 the current year. This year will earnings of between three and see the conclusion of an agreefour times the previous year's ment on the next A-320 generation of the Airbus, in which

> year, compared with FFr 94am last year

Aerospatiale is also involved in a Franco-Italian project for a short-banl aircraft, the ATR 42. But General Mitterrand expressed coocern about the

#### Steep advance in Jacques **Borel operating profit**

BY OUR PARIS STAFF

JACOUES BOREL International, -in 1980. the French catering business, quadrupled operating profits last year after selling its troubled hotel interests.

Group operating profits totalled FFr 69.5m (\$11m) against FFr 17.2m in 1980. The company attributed the recovery to strong growth in Brazil, higher earnings from Italian, German and Spanish subsidi-aries, reduced financial charges culties which followed Borel's and the development of some of its French activities such as luncheon-vouchers.

The company is currently in the process of merging with the

Turnover of the group, cluding Sofitel, climbed to FFr 25bn last year from FFr 2.1bn. The company said that results so far this year were up on the same 1981 period, confirming the recovery from a entry into the botel business.

of its French activities such as But is said that its Belgian subsidiary was still facing Net profits of FFr 3.4m comproblems and that some new pared with a result FFr 32m— projects had suffered larger due solely to the sale of the start-up losses than had been Sofitel luxury hotel subsidiary expected.

#### Swedish iron mining group's losses rise

BY WILLIAM DULLFORCE IN STOCKHOLM

LKAB, the Swedish state-owned assumes the company can sell iron mining company, made a pre-tax loss of SKr 662.6m at least 20m tonnes would be (\$113m) last year, SKr 110m taken by the EEC. Last year more than in 1980. Sales, of which 87 per cent come from the skew of the same transfer of the same t SKr 2.24bn.

The new management aims to achieve a positive cash flow by the end of 1983. It forecasts a strong improvement in financial performance already this year LKAB's main customers, par as a result of the SKr 1.5bn Wiking Sjostrand, managing director, said

The financial target implies a cent improvement in dollar,

company, which has late 19th century, has accumu-lated losses of SKr 2.84bn in Freig lated losses of SKr 2.84bn in the period from 1976 to 1981.

LKAB's share of the EEC iron market plunged from 22 per amounted to about SKr 700m

previous year and the lowest total recorded since 1963. An increase in deliveries to

the EEC implies the negotiating

output per employee by the end of 1983, LKAB has already

worked the famous north started talks with the trade Swedish iron mines since the unions about dismissing em-

market plunged from 22 per amounted to about SKr 700m cent to 14 per cent in the 1970s. a year and have given a good ore a year in Europe, of which The recovery programme ways.

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DM 100m.

West German engineer

raises nine-month sales

engineering group, increased March 31 stood at DM 19.6bn group turnover by 18.7 per cent compared with DM 17bn at the to DM 12.8bn (\$5.44bn) in the end of the first nine months of

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Full particulars of the Notes and of Kansallis - Osake - Pankki are available in the Extel Statistical Service and may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including 14th May, 1982 from the brokers to the issue:

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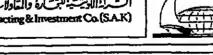
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European Banking Company Limited

30th April, 1982

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under Resolution 63 of Banco Central do Brasil

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### **Earnings** collapse at Malaysian tin smelter

DATUK KERAMAT Holdings. one of the two tin smelters in Malaysia, has reported a sharp drop in carnings, and is drastically cutting its divi-

The company, which is a sobsidiary of Prenssag, the German metals grenp, saw net after-tax profits fall by 56 per cent from 17.4m ringgit to 7.6m ringgit (US\$3.2m) for the year ended January. It is paying a final dividend of 45 cents, making 85 cents for the year, compared with 193.75 cents previously.

operating and financing costs." and the sospension of its lantalum extraction activities prices for this hy-product. Turmiver was marginally np at 918m ringgit, hut operating profit was down by 46 per cent to 9.4m ringgit. There were no earnings from the sale of tantalum slags, compared with a profit of 10.3m ringgit last year. Income

For the current year, pros-pects are equally depressing. The laotalum price is still too low to encourage renewed extraction, while operating costs are expected to rise when world tin prices show no sign of moving oot of their depressed levels.

#### Kuwait Airways takes steps to cut losses

By James Dorsey in Kuwait

KUWAITI AIRWAYS Corporation (KAC) has announced a series of measures, including an employment freeze, lo redoce its losses, estimated to he KD 7m (\$26m). The announcement follows last week's call fur austerity measures and rationalisation of pohlic expenditure hy Hr Andul Latif al Hamad, the Kuwaiti Finance Minister, Earlier this week the Kowaiti Government published its

budget, which showed a KD 312.6m (\$1.124m) defirit. Mr Ahmed al Zahin, KAC general manager, sald that the airline will make no new appointments unless abso-iutely necessary, until "the optimum utilisation of existlog manpower" has heed achieved. KAC at present has a payroil of 6.565.

Further measures to cot losses include a review of existing foreign offices. KAC ls considering clusles two of its European rootes and several of its offices abroad. On the other band, the airline is convinced it will benefit from rising demand hy introducing new routes to Algeria

and South Korea. RAC hopes that the launching of a computerised flight planning system will reduce its fuel expenditure by KD 1.5m a year.

The airline also plans to delegate certain activities to subsidiaries like Kuwait Catering Sopplies and Aviation Services Company (KCSAS). This subsidiary is expected to cover all KAC's catering needs by this

KAC has requested the help of Scaodinaviao Airline System (SAS) to develop a self-sufficient caleriog system and train personnel in-flight kitchen services.

### **Improvement** at Times

**Publishing** By Georgie Lee in Singapore

TIMES PUBLISHING Berbad has reported a 19 per cent improvement in group pre-tax earnings (U.S.13.4m) for the half year to February.

Group trading profit before

tax rose by 17.4 per cent to \$\$25.8m on the back of a 13.7 per cent rise in turnover to The group's share of profit

from associated companies was 34 times higher at \$\$680,090. However, investment income fell marginally to \$\$1.9m. The group also disclosed

extraordinary loss of S\$1,89m mainly because of currency differences on consolidation.

An interim gross dividend of 7 per cent has been

IHF-FIAT FINANCE CORPORATION B.V. U.S.\$100,000,000 GUARANTEED FLOATING RATE NOTES 1991 For the six months

-30.4.82 to 29.10.82 the Notes will carry an interest rate of 15 % % per agnum. Coupon Vaine U.S.\$76.15 Listed on The Stock Exchange Luxembourg Agent Bank: National Westminatar Bank PLC

### Australian Guarantee's first half profit up 38%

late last year.

previously.

Trading at seven-year low

with 15.3 cents previously.

borrowing

Profit before tax was up

Directors said the company

A\$58.2m to A\$95.9m after

BY IAN PERKIN IN MELBOURNE

RETURNS personal loans and substantial profits from direct property development helped Australian Guarantee Corporation lift directors when the issue was loans, the strong growth in net profits 38.5 per cent from announced and is more than receivables and the ability to AS32.56m (U.S.834.2m) to three times covered by earnings hold operating expenses to the A\$45.1m in the six months to a share of 18.5 cents compared March 31.

Thtal revenue of the group, Australia's biggest finance company which is a subsidiary of charging much higher interest the Bank of New South Wales, on cent from (A\$134.1m previously) and A\$446.9m depreciation A\$1.63m (A\$1.6m). was up 46.3 per cent from A\$305.5m to A\$446.9m depreciation (U.S.\$470m) and net re-Tax took ceivables rose 16.7 per cent compared net re Tax took a further A\$44.5m from A\$2.8bn to A\$3.3bn. Interim dividend has been

increased from 4,375 cents a had been able to achieve subshare to 5 cents a share on stantial profitability despite an existing units and a 2.5 cents a increasingly tight and costly DKH attributed the poor results to "significantly higher share dividend will be paid on market for funds in Australia.

OVERALL TRADING profitability of companies operating in Australia were at their woral for seven years in the March quarter of this year, from investment rose by only according to the latest Austra-10 per cent to 4.5m ringgit. lian Chamber of Commerce-National Bank business survey.

53 per cent of respondents reported good or satisfactory trading for the March quarter and only 47 per cent good or salisfactory profits for the same

BY OUR MELBOURNE CORRESPONDENT

and trading and 63 per cent for profits in the previous quarter. Although some easing in activity usually occurs during the post-Christmas period, the results were well helow respon-

Yational Bank business survey. According to ACC-National The survey shows that only Bank, the results represented the weakest March quarter results since the same quarter in 1975 Together with the results of two other recent surveys they paint a gloomy period. This compares with picture of the Australian busi-responses of 68 per cent for ness climate.

The index of consumer sentiment of the Institute of Applied Economic and Social Statistics was set at 91.8 points for the quarter the lowest quarter level ever March reached to the nine years it has been conducted. It was also close to the record lows established during the nine years — 90.2 in the June quarter of 1979 (the slump before the "re-sources boom" eupboria) and 90.6 points in the September quarter of 1974 (at the bottom

on group's one-for-seven new issue tions from finance operations and property development acti-This is in line with the 10 vities, the interim result benccents a share rate forecast by fited from reduced losses on to three times covered by earnings hold operating expenses to the same percentage of net receiv-

ables as the previous year, But they also warned that the second six months of the year to September might not be as good as the first.

A\$185.2m There are indications of a slight reduction in demand for financing which might mean a more moderate increase receivables over the next six months," the company said.

Property development expected to show a more normal level of completions, sales and profits than the high level

### **Plascon Evans** shows slow growth

PLASCON EVANS (Plevans)

South Africa's largest paint manufacturer which is 80 per cent owned by Barlow Rand suffered from narrower margins in lile six months ended March. 31. First half pre-tax profit rose by 4.5 per cent to R124m (\$12m) from R119m in the corresponding period of 1981. Interim turnover was 18.4 per

to a

Mary land

 $\frac{P^{(i)}}{P^{(i)}}$ 

cent higher at RI12.9m against R95.4m. In the year ended September 30 1981, turnover was R199.5m and pre-tax profits R24,23m.

An unchanged interim dividend of 6 cents has been declared on per share earnings up to 27.1 cents from 26.1 cents.

#### Steady advance by Amrel

By Our Johannesburg Correspondent

AMALGAMATED RETAIL (AMREL), the furniture and sboe retail group 69 per con-owned by South African Breweries, increased operating profit before tax and interest by 21.1 per cent to R322m (\$30.8m) in the year ended March 31 1982. In the preced-ing year operating profit was R26.6m. Turnover rose 25.4 per cent tn R219.6m from R175.1m. A total dividend of 71 cents has been declared from earnings of 214 cents a share compared with 65 cents on 196 cents a share last year.

### Al-Ahli lifts net income

BY MARY FRINGS IN BAHRAIN

improved its net operating directors declared a 12 per cent income by 67 per cent in 1981, the hank s third year of operation. But overall profit was down from BD 1.1m to BD 794,000 (\$2.1m) because the 1980 result included a substantial element of windfall profits from the handling of offshore company share issues.

The latest result represents a return on average assets of 1.22 per cent. Total assets, excluding contra items, amounted to BD S0.6m and loans and

AL-AHLI Commercial Bank advances totalled BD 48m. The cash dividend.

> this year, the paid-up capital was doubled to BD 8m through a rights issue at a preferential price of BD 20 per share-a premium of 100 per cent on the nominal value, but well below the level at which Al-Ahli shares bave been trading. At the same time the nominal value of the shares was split from BD 10 to BD 1, to bring them within reach of smaller investors.



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The Notes, issued at 100 per cent in denominations of U.S. \$10,000, have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the temporary Global Note.

Interest is payable quarterly in arrears in August, November, February and May, the first payment being made in August 1982. Full particulars of the Notes are available in the Extel Statistical Service and may be obtained during usual business hours up to and including May 13, 1982 from:-

> Cazenove & Co. 12 Tokenhouse Yard London EC2R 7NA

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In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 30th April, 1982 to 29th October, 1982 the Notes will carry an Interest Rate of 1518% per annum and the Coupon Amount per U.S. \$5,000 will be U.S. \$383.91.

> Credit Suisse First Buston Limited Agent Bank



"THE AFRICAN DEVELOPMENT BANK GROUP WISHES TO ANNOUNCE THAT THE EIGHTEENTH ANNUAL ASSEMBLY OF THE AFRICAN DEVELOPMENT BOARD OF GOVERNORS AND THE 9TH ANNUAL ASSEMBLY OF THE AFRICAN DEVELOPMENT **FUND BOARD OF GOVERNORS SCHEDULED** TO TAKE PLACE IN LUSAKA, ZAMBIA, MAY 3-7 WILL NOW RUN FROM MAY 5-8, WITH THE OPENING CEREMONY AT 3 P.M. MAY 5. THE AFRICAN DEVELOPMENT BANK GROUP REGRETS ANY INCONVENIENCE RESULTING FROM THIS 2-DAY POSTPONEMENT".

AFRICAN DEVELOPMENT BANK TELEGRAPHIC ADDRESS: AFDEV ABIDIAN TELEPHONE 32-07-11 TELEX 3717/3498/3263 01 B.P. 1387 ABIDJAN 01 TVORY COAST

### Promet hits its stride

AT THE HEIGHT of the Malaysian share boom in 1981, the one ringgit shares of Promet were chased as high at 11 ringgit. They are now just above 4 ringgit—which is not a bad price for a stock that was quoted at 36 cents before Brian Chang of Singapore and Dato Ibrahim Mohamed took over the company 18 months ago pany 18 months ago.

Franc

Show!

Trough

For a long time, political and economic ties between Malaysia and Singapore were strained by divergent policies, and often there was downright bostility. Rewarding ventures shared by the two such as a common currency, an airline and a share market, were split up, often after acrimonious arguoften after acrimonious argument, as each went its way to reduce dependence on the other.

In recent years, however, a new mood of co-operation, uo-fettered by old political and personal rivalries, has come to

At the highest level, this cor-dial, business-is-business atmos-phere is found in the close rap-port between the two Prime Ministers, Dr Mahathir of Malay-sia, and Mr Lee Kuan Yew of

At the corporate level, perbaps the best illustration is what is happening in Promet.

Here the business and technological skills of a young Singa-porean have fused with the dynamism and political contacts of a young Malay to create what is one of South East Asia's most promising conglomerates. A venture of this kind would : bave been unthinkable five r years ago.

Before the 1980 takeover, Primet was known as Bovis Southeast Asia, and before that Gammon, It was controlled by the Peninsular and Oriental Navigation Company of the UK. Between 1976 and 1980, the concern lost more than 40m ringgit (U.S.\$17m). and in October 1980, P & O sold its

54.7m shares, representing 80 per cent of Bovis, to Mr Chang at 45 cents each, or a total of 24.6m ringgit total of (U.S.\$10,6m). Dato Ibrahlm, a close friend of Mr Chang during student days in London, was brought in. The Malaysiao became chairman and the Singaporean the managing director. Mr Chang injected his own marine fabrica-

tion business, and recamed the compacy "Promet." Both men bave ambitious plans, and have meant to carry them through amicably.

Mr Brian Chang is 38 and Dato I brahim is 39—but their Date I brahim is 39—ont their combined wealth is probably in excess of 700m ringgit (US\$300m), and they have made this miney in the past 10 years. Mr Chang studied electrical engineering at the University of London in the midstyties where he met mid-sixties, where he met Dato Ibrahim, who was read-

ing law.
On returning to Singapore.
Mr Chang worked as a design engineer with the marine division of Jardine Matheson. the Hong Kong-based trading house, later moving on to Far East Levingstone Shipbuilding, of Singapore. He returned to the Jardine's division as a partner, and later bought the business

His big chance came in 1971 when be won an nll rig order from an American company. It was delivered well ahead of schedule.

Since then, he has turned bis company into one of Singapore's largest rig huilders. Engineering talent apart, Mr Chang is commercially alert, spending much time travelling around the world, negotiating contracts and sconting for business opportunities, particularly in the oil-related field.

Dato Ibrahim set up his law office in Kuantan in 1970 with a 9,000 ringgit loan from a government agency. Within two years, it was the biggest in Pahang State.

He invested in property, went into construction, and made strong gains in the sbare market in 1973. From

200,000 tonnes a mooth, and the target is 250,000 tonnes by the

year's end, making it the second largest quarry io Asia.

customers was considerably reduced by better use of barges

aod tugboats.

The time taken in supplying

Last year, Karimun contri-

buted 7m ringgit to Promet's



Mr Brian Chang

1976 to 1979 he was chairman of Genting, the Malaysian casino and hotel group.

Because of his strong political contacts. Promet, unlike many other companies, is at ease in entering into joint ventures with government agencies. Close contacts with the Malaysian political leader-ship is vital for business socress these days, because of the increasing government involvement in the corporate

Mr Brian Chang is based in Singapore and Dato Ibrahim in Knala Lumpur. They con-tact each other dally by tele-phone, and meet two or three times a month.

Mr Chang holds 43 per cent and Dato Ibrahim 29 per cent of the 207m shares in

lems of the old company-the Singapore, Hong Kong, U.S. and loss-making granite works on Karimun Island io Indonesia. Panama. These deal in two maio lines-marine fabrication, particularly for the oil industry The entire management on the island was fired. Production, which was 60,000 tonnes a and construction and property month, rose to 120,000 within three months. Output now is

Its marine yards in Singapore have work until the end of next "Although our yards are building rigs most of the time, they can take on more sophisti-cated work, like jackets, modules, supply vessels and pipe-layiog, which are in good demand. We are not worried," Dato Ibrahim says.

To prove this point, the Singapore stock exchanges last group has bought a 50 per cent year. It is helped by the stake to Baker's Port, of the expanding economies of the U.S., which owns 3,000 acres of members of the Association of profits. The Promet group pre-tax profit for 1981 was 42m ring-git (U.S.SISm) on a turnover of 370m ringgit (U.S.SISOm). industrial land on the Gulf of South East Nations. Ooe of the first things they Today, the group consists of Texas. Promet and its partner, did-was to tackle the main prob over 60 companies—in Malaysia. Baker. Marine; intend to -- Wong Sulong

develop it into "an emporium" supplying equipment to the nil industry in the Americas and Europe

For the Asian market, Promet has acquired 500 acres in Johore State, in Malaysia, fronting Singapore, for another yard. It is to spend 250m ringgit (US\$110m) on the project, which will employ 4,000 workers.

"We have only 71 acres in Singapore, and our yords are too congested," Date Ibrahim says. The Singapore yards employ 2,000 workers.

Promet has also taken a sig-nificant step towards becoming an oil operator. There are good chances of its getting a con-cession area for exploration from the Indooesian authorities. It also hopes to get an explora-tion concession in East Malaysia

On the construction side, the group has more than 300m ringgit worth of jobs on hand, including a 35-storey office block in Kusla Lampur for its head-quarters, and a 100m ringgit

hotel and office block in hotel and office block in Kuching, the capital of Serawak.

Malaysian authorities bave given the go-shead for it to huild an oil town in Treogganu, covering 600 to 800 acres, where foreign oil men can live and enjoy a lifestyle without fric-tinn with the conservative Moslem population. The cost of the project is set at 1/on ringgit (US\$430m)

Dato Ibrahim says that the aggressive development Promet has followed in the past 18 months would not have been possible had it not been for his close contacts with Dr Mahathir, the Prime Minister. Last July, be donated Im of

his own Promet sbares to the Prime Minister's UMNO party for its building fund. But be maintains Dr Mahathir bas not favoured Promet because of personal links. The Prime Minister is a good Moslem and nationalist. He makes his judgment on a proposal on the benefits it brings to the nation. We are a young team, with

a lot of big ideas. And we have shown we can get things mov-ing. I think he is impressed by that," Dato Ibrahim says. Certainly, Promet is moving fast. It rose from 71st to 11th

position among the top 100 com-panies on the Malaysian and Singapore stock exchanges last

These securities have been sold outside the United States of America and Japan. This appears as a matter of record only.

**NEW ISSUE** 



### **Kingdom of Denmark**

Japanese Yen 15,000,000,000 8½ per cent. Bonds due 1st May, 1992

The Nomura Securities Co., Ltd.

Algemene Bank Nederland N.V. Banque Nationale de Paris Crédit Lyomais Daiwa Europe Limited Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) LTCB International Limited Morgan Guaranty Ltd Smith Barney, Harris Upham & Co. Incorporated Swiss Bank Corporation International Limited Westdeutsche Landesbank Girozentrale Copenhagen Handelsbank A/S Privatbanken A/S

Bank of Tokyo International Limited Crédit Commercial de France **Credit Suisse First Boston Limited IBJ** International Limited Lehman Brothers Kuhn Loeb International, Inc. Merrill Lynch International & Co. The Nikko Securities Co., (Europe) Ltd. Société Générale de Banque S.A. S. G. Warburg & Co. Ltd. Yamaichi International (Europe) Limited Den Danske Bank af 1871 Aktieselskab R. Henriques jr.

28th April, 1982

Associated Japanese Bank (International) Arab Banking Corporation (ABC) Amro International Limited Bank of America International Julius Beer International Bache Halsey Stnart Shields Banque Française du Commerce Extérient Banque Arabe et Internationale d'Investissement (B.A.I.I.) Banque de l'Union Européenne Banque de Paris et des Pays-Bas Banque Generale du Luxembourg S.A. Baring Brothers & Co., Limited Bayerische Vereinsbank Barclays Bank Group Banque Worms Chemical Bank International Group Berliner Handels- und Frankforter Bank Caisse des Dépôts et Consignations Chase Manhattan Creditanstalt-Bankvercia Commerzbank County Bank Christiania Bank og Kredificasse Citicorp International Group Daiwa Bank (Capital Management) Ltd. Dai-Ichi Kangyo International Credit Industriel et Commercial Desische Grozenirale - Desische Kommu Dillon, Read Overseas Corporation DG Bank Deutsche Genossenschaftsbank European Banking Company Robert Fleming & Co. Fuji International Finance Dominion Securities Ames Ltd. Dresiner Bank Hambros Bank Girozentrale und Bank der Österreichischen Sparkasser Goldman Sachs International Corp. Hessische Landeshank Hill Samuel & Co. The Hongkong Bank Group Kidder, Penbody International Kleinwort, Benson Kuwait International Investment Co. S.A.K. Kawait Investment Company (S.A.K.) Krediefbank S.A. Luxembourgeoise Mitsubishi Bank (Europe) S.A. Manufacturers Hanover Limited Mitsui Finance Europe Lloyds Bank International Morgan Grenfell & Co. National Bank of Abu Dhabi Samuel Mondagu & Co. Morgan Stanley International Okasan International (Europe) Limited Nippon Kangyo Kakumaru (Europe) Nomura International (Hong Kong) Ltd. Orion Royal Bank Osakaya Securities Co., Ltd. Österreichische Länderbank Pierson, Heldring & Pierson N.V. Postipankki J. Heury Schroder Wagg & Co. Salomon Brothers International Singapure Noming Membant Banking Societé Générale Sumitomo Finance International Sumitomo Trust International Taiyo Kobe Bank (Luxembourg) S.A. Tokai Kyowa Morgan Grenfell Vereins-und Westhank Wood Gundy Limited Yamatane Securities Co., Ltd. Wako International (Europe)

All these securities having been sold, this announcement appears as a matter of record only.



### Reed (Nederland) N.V.

£25,000,000 163 per cent. Guaranteed Bonds 1989

unconditionally and irrevocably guaranteed by

### Reed International P.L.C.

S. G. Warburg & Co. Ltd.

Amro International Limited Barclays Bank Group County Bank Limited Daiwa Europe Limited Merrill Lynch International & Co. Morgan Stanley International

Algemene Bank Nederland N.V.

Westdenische Landesbank

Banque de Paris et des Pays-Bas Citicorp International Group Crédit Lyonnais Dresdner Bank Aktiengesellschaft Samuel Montagu & Co. Limited Orion Royal Bank Limited

Bank of America International

Banque Française du Commerce Extérieur Bank of Tokyo International Bank Brussel Lambert N.V. Banque Internationale à Luxembourg S.A. Banque Générale du Luxembourg S.A. Banque de l'Union Européenne Banque de Neuflice, Schlumberger, Mallet Chase Manhattan Rayerische Vereinsbank Crédit Commercial de France CIBC Girozentrale und Bank der österreichischen Sparkassen Enropean Banking Company Effectenbank-Warburg The Hongkong Bank Group

Wood Gundy Limited

Allied Irish Banks

Hill Samuel & Co. IBJ International Hambros Bank Limited Kredielbank S.A. Luxembourgeoise Kleinwort, Benson Kidder, Peabody International Lazard Brothers & Co., Ltd. Lazard Frères et Cie Lehman Brothers Kuhn Loeb International, Inc. LTCB International Morgan Guaranty Ltd. Morgan Grenfell & Co. L. Messel & Co.

Manufacturers Hanover Norddeutsche Landesbank The Nikko Securities Co., (Europe) Ltd. Société Générale de Banque S.A. Scandingvian Bank

Strauss, Tumbuil & Co. Vereins- und Westbank Union Bank of Switzerland (Securities)

Swiss Bank Corporation International Warburg Paribas Becker Yamaichi International (Europe)



#### **PETROLEOS MEXICANOS**

(a Decentralised Public Agency of the United Mexican States)

£30,000,000 161/2 per cent. Notes due 1987

Issue Price 100 per cent.

**Hambros Bank Limited** Algemene Bank Nederland N.V. Banque Bruxelles Lambert S.A. Crédit Commercial de France **Daiwa Europe Limited** Salomon Brothers International

Swiss Bank Corporation International Limited Bank of America International Limited Baring Brothers & Co., Limited Crédit Lyonnais First National Boston Limited Smith Barney, Harris Upham & Co. Incorporated

Société Générale de Banque S.A.

April, 1982

**NEW ISSUE** 

Stock 28 27 Colembia Gas 31% 51½ Gt. Atf. Pan  AGF Industries 57¼ 37½ Gombined Int 2073 21¼ Gt. Basins Pe  AMP	st 3   5   Motromedia 2121g :2163g	Schlitz Braw 151s   151s Schlymbeger 451s   461s SCM	rresh e	ariy vya	n of ac	CHIE
ARA S512 2518 Comm.Satelite 6418 6412 Grumman	1434 1419 Missouri Pac 52-4 5934	Season 2334 2314 56872 5214 5812 5814 5814 5814 5814 5814 5814 5814 5814	i advanced on Wall Street yester-	falls led gains by 169 to 88. Twelve of the 14 indices were	Milet a desert baid on Mandag	could not be reached for official
Abbot Labs	Monarch M/T 1712   1778     Monarch M/T 6634   3814     Monarch McCmrk 22   9012	Sears Roebuck 19 1 19 1 19 1 19 1 19 1 19 1 19 1	market pointed lower as investors wrestled with the	lower. Golds slipped 18.6 to 1 2,155.1 and Oil and Gas 6.0 to 1 2,702.3.	to buy additional shares at the	Australia Repeating Wednesday's trading
Actna Life & Gas 4314 4314 Cons. Edison 3712 38 Halliburton Ahmanson IH.F.I 1014 105e Cons. Foods 3416 5354 Hemmermill Air Prod & Chom 5614 5673 Cons. Freight 3814 385e Handleman Akzons 252 934 Con. Nat. Gas 4878 47 Hanna Minin	Motorola	5heil Trans	imuse with Conferess on his		resterday. Therefore, they bid up the price in late trading,	pattern, markets were inclined to soften in early trading yes- terday but picked up somewhat
Albertson's 2016 2216 Cont. Air Lines 45: 45: 48: Harris Bancp. Albertson's 2016 2216 Cont. Corp. 88 884 Harris Corp.	Ca. 1534 1544 Nalco Ghem 4534 4614	Simplicity Patt 75q · 71g Singor	about the Faikland Islands also	lts "solid " financial position and	which helped trigger some elective buying elsewhere in the narket	Brokers said a large number of April series Call Outions in
Alco Standard 2031 2078 Cont. Illinois 2838 2934 Hects Mining Alexandor & Al. 2834 2918 Contt. Tolep 1713 17 HeinziHJ) Alegheny Intl 3034 5014 Control Data 3034 Heller Intl 4004 Corp. 341 341 341	331g : 331g : 234g : 23	Skyline	Average was 3.71 lower at 848.83 at 1 pm, while the NYSE All	With the favourable effects of	HE Blettrie closed 20 cents sigher on balance at HK85.70, while another Ptility, China light, part on 40 cents to	leading stocks had here exer- cised before expiry sesterday, which gave markets the late
Alles Stores 511 31 Alles Chalmors 1412 145g Alpha Portd 105g 105g  Connect Index 1 2711 1 2711	4014 4014 Nat. Semicductr. 25% 25 to 4014 4014 A114 A114 A114 A114 A114 A114	Sony 157 144 Southeast Banks 157 158 5th. Cal. Edison 322 388 Southern Co 124 197	a two-to-tone margin after a fairly large volume of 38.42m	Germany's record trade surplus	HK\$14.50 in sympathy, HK Land- hished unchanged at HK\$7.30. Analysts said they continue to	uplift. Industrials ended firmer for choice on the day, although a slightly easier bias still pre-
Amax	The state of the s	Stin. Nat. Res 253g 253g Stin. N. Eng. Tal., 441g 46 Stin Pacific 331g 3414 Stin. Railway 951c : 921c	The White House said it was	crisis, Bourse prices ended on a mixed note yesterday with mainly mixor movements. Hos-	ee an improvement in market continues; but still expect some writer consolidation in the	varied in the Minings nad Ulis sectors at the close. The All Ordinaries index
Am. Drands 433e 437g Grooker Nat 921g 293e Heneywell	7010 1 7014 1 27 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Southland 35% 52% 83% 80% 80% 80% 80% 80% 80% 80% 80% 80% 80	settling the Falklands dispute pesceably.	ever, there was an increase in purchasing interest late in the session, believed to have been r	near term following the rally wer the past week, more and more of the analysts said they	again ended slightly higher on balance, up 0.4 at 505 7, but the Oil and Gas index was 3.9 tower
Am. Cyene mid. 2214 2916 Guntmins Eng. 3713 3886 Horms Geo. Am. Elect. Powr. 18 1814 Gurtiss-Wright 3914 40 Hospital Cor. Am. Express	ZI 10-2 1 LI	Squibb	mer on the most active list, rose a point to Sci. Woolworth, also heavily traded, gained 12 to	Banks were said to have received the brunt of interest lo	euse the possibility of another arcng rally in the median-term mee the market digests its recent gains.	5t 472.6. Overatt market leader BHP traded as low 2s AST.NI before rallying to AST.94, unaffered on
Am. Home Prod. 3714 5754 Dart & Kraft. 535e 535e Hudson Bay & Am. Home Prod. 3714 5754 Dart Gen. 537e 5419 Hudson Bay & Am. Hosp, Suppy. 44 441e Dayton-Hudson 558 35 Heghes 7col. Am. Medical inti 22ta 225a 225a Dayton-Hudson 573 375	762 1418 1478 Herfolk & Westn 4212 4818 2618 2618 2618 Nth. Am. Cost 3014 818 Nth. Am. Philips 5912 4014	Std Gil Gilfernia. 3014 : 3034 Std Gil Indiana 49 : 4214 Std Qil Ohio 343a 55	Sterilog Drug, however, fell 21 to \$241 on more than 1m	Deutsche Bank pacing the sec- tor with a DM 2.70 rise. Bayerische Vereinsbank, fav-	Switzerland	Among Oils, Santon lost 10 cents to ASS 16 and Bridge 5
m. Medical Intil 2218 2854 m. Motore	Nthn. State Pwr. 27   263,   Northgate Exp.   37g   57g   57g   Horthrao   485g   42   42   43g   43g   42   43g	Stanley Wks	Ralph Nader's health research group charged that Reye's Syn-	DM 250. In Electricals, Brown Boveri, S	Share, pinces were generally nodestly easier on the Basie stock Exchange after the Zurich market, for the second time in	cents to AS3.20. Vames, after an all flow from its Bina No. 4 well, was sleady at AS7.30. In the Industrials group, News
Am. Standerd 97   2718   Ginds	1254 1214 Hwest Inds	Storage Tech	maker of Bayer aspirin, called the charges "scientifically	by DM 2 to DM 6 and has t reported a 50 per cent drop in t consolidated ner 1981 profits fell		elimbed 12 cents to A\$2.15 and Borzl 16 cents to A\$2.70. Australian Guarantee, the
AMP 677s 383s 17Giorgio 87s 97s Inco Carp Ams Amstar 221s 924 11gistal Equip 807s 813s Inco Carp Ams Amstead Inds 25 25 11gistal Equip 807s 813s Inco Carp Ams	114 118 Const Pet 1 201 201 201 201 201 201 201 201 201 2	Super Val Strs. 18 1818 Syntax 65 3454 TRW 5159 5119 Taft 3134 3514 Tempax 5014 3734	Among other heavily-traded issues, General Notors lost	AEG, in contrast, benefited from (2 recommendation to 2 Bourse (	Zurich Exchange at about 09.35 GMT after the market had been open for less than an hour.	finance arm of Bonk of New South Wales, was immoved at AS2.25 despite reporting a 38.5 per cent after-tax half-year profit
Anheuser-Busch 491s 50 Dianey (Walt) 571s 57 Archor Daniels 1514 151s Domo Mines 105s 103s Inter First Cor Armoo 127s 201s Dennelly (RR) 44 4412 Inter North Inter North	237 <sub>8</sub> 235 <sub>8</sub> Ohio Edison 135 <sub>8</sub> 161 <sub>4</sub> Diin 215 <sub>8</sub> 267 <sub>8</sub> Ohio Edison 155 <sub>8</sub> 161 <sub>4</sub> Diin 155 <sub>8</sub> 175 <sub>8</sub> 185		American Telephone 1 to \$541. THE AMERICAN SE Market Value Index slipped 0.69 to	to DM 43.70.	Squipment maifunctioning dur- ing the renovation of a restau- ant, housed in a lower floor of the Stock Exchange building.	rise. Bank of New South Walcs
Armstrong CK 161 <sub>2</sub> 165 <sub>8</sub> Dow Chomical 23:4 93  Assarco	54-4 Gold Contract Standard 2015 1 2015	Tandy	Champion Home butthers, the	After surrendering a little it more of its recent good rise, the it market picked up late in the	had caused smoke to penetrate the ventilation system and make further business in the stock	Johannesburg  Gold shares were easier with the Bultion price, but elsewhere.
Assc D Goods 337a 3354 Atlantic Rich 391a 3934 Dun & Brad 68 6914 Intl. Flavoers. Auth.Dear Pro. 05te 251.	181 <sub>2</sub> 181 <sub>8</sub> Owens-Illinois 201 <sub>8</sub> 253 <sub>8</sub> PHH Group	Texas Comm. 9k 341s 341s Texas Comm. 9k 341s 341s Texas Eastern 481s 491s Texas Gas Trn 2514 251s	unchanged at \$2% on nearly 100,000 shares.	session on meeting selective to fresh buying to end on a mixed a note.	aid. Volume on both Exchanges had	shapes were little changed in very slow trading. Heavyweight gold producers
Avery inti	1214 1218 Pac. Gas & Elect. 2278 23 Pac. Lighting 244 2414 2414 114 4138 Pac. Lumber 20 2314	Texas instr'm'ts. 901g 905g Texas Oil & Gas. 301g 223g Texas Utilities 227g 227g Textran 241g 241g Thormo Electro 147g 15	Markets continued their recent	The Hang Seng index tost had another six points initially to before improving to record a gain of 3.44 on the day at the	hat investors were becoming resitant about major new posi- ions with prospects for further	Western Holdings and President Steyn shed 125 rents apiece to R43.75 and R28.50 respectively.
Baker Intl	2712 2778 Palm Beach 1658 1012 Palm Beach 558 654 Palm Art. Art. 558 654 Palm Art. Art. 558 654 Palm Beach Palm Brine. 59k 525	Thomas Betts 515; 52 Tidewater 235g 245g Tiger Intl 71g 71g Time Inc 34 341g	early dealings, leaving the Toronto Composite Index 10.3 weaker at 1 555 8 at middey	1,303.09. Trading was reasonably eactive, turnover amounting to the HK\$388.20m on the four in	asing of Swiss interest rates loubtful and with the inter- actional political climate so un-	In Diamonds, De Beers showed no reaction to the chairman's review, holding unchanged at 15.00
Bank of N.Y 41 41 Electronic Data. 265e 067e Joy Mnf.	863s 2712 Peabody Intl 6 634		On trading of 200m charge	Wednesday session total of HK\$338.40m.	offied. Chief dealers at several major makes believed that trading	Tokyo
Beker Inde	Peoples Energy   Bise   834   Peoples Energy   38   3834	Tipperary 254 10 Tonks 651 2554 Total Pet 853 279 Trano 3012 30	America were not available		would proceed as normal on the Curicii Exchange today, but spokesmen for the Exchange	The market was closed yester- day for the Emperor's Birthday hollday.
Bell Industries	101s 10 Petrolano 145s 16 Potentiano 567s 68 381 321 Grant Petrolano 567s 68	Transamerica 20% 91 Transway 02;8 22;9 Trans World 20;1 21 Travelers 47 47;4 Tricantrol 7% 7% 7%	April April April	M (continued) HOLLAND	Price + or April 29 Aust 5	
Beth Steol	92 8214 Philoro 2234 25	Tri Continental 1853 1859 Triton Energy 1314 1038	AMCA Inti	4.655 +5 ACF Holding		Kubota 532 +2 Kumgeel 436 Kyobo Ceramio 0,200 +20 -0,03 Leon 399 +17
Buelen Bell 241s 241s FMG 274 3012 Koppera 274 3012 Koppe	712 7 Piney-Bowes 28 075	Tyler	Alcan Alemin   0314   2515   30c. Gen.   Algoma Steel   2534   3378   20fina   1012   1214   Solvey   Bk. Montreal   2019   01   Tracton	Beige 1.534 - 15 ABN ABN 3.825 - 5 AMEV AMEV BEIGHT 0,795 + 70 Sredero Cert.	507.9 -0.0 Assoc. Pulp Pap : 1.45 54.7 +0.1 Audimee	O.05 Lion
Borg Warner	od: 1573 15 Piessey 661g 681g 1814 1814 1814 1814 1814 1814 1815 1814	Unilever H.V 5012 50 Union Camp 4852 4858 Union Carbide 48 4778	Ball Canada 1954 1054	Aont 2.070 -50 Bukmans-Tet Caland Hidgs	46.6 -0.1 Aust Nat Inde 2.70 34.5 +1.3 Aust Paper 1.99 147.6 +0.0 Bank Naw 2.20	-0.21 Mathinfitz 1,040 -10 -0.21 Mathinfitz 1,040 -10 -0.25 Mathinfitz 525 -10
8P	Prentice Hall 2819 2812 Proctor Gamble: 9613 853 Pub. Serv. E & G. 2112 2118 Pub. S. Indiana 24 24	Union Pacific	Bow Valley	Ennia Euro Comm Tst Gist, Broandes Heinsken	70.7 Bond Hidgs 1.20 Bord Soral 2.7 2.7 Brythe Copper 1.35	Michael Coro
Tilly (Fix)	3819 38 Pub. Serv. E & G. 2112 2118 2314 2312 Pub. S. Indiana. 24 24 24 Pub. S. Indiana. 3014 3018 61 2219 2219 2219 Purex 3014 3018 4259 4254 4254 4254 4254 4254 4254 4254	US Fidelity G	CadillacFairview 814 614 Apri Camilo Mines 813 852 Can Cement 919 012	1 20 Price 4 or Hongovens Hunter Douglas	01 +0.9 Brunswick Dil B.24	Mitsu Rose Section 640 Mitsu Rose Section 640 Mitsu Rose Section 657 — 5
Surrington Hritini 4812 4934 Lone Star Inda Surrington 3 1918 1st Mississippi 912 234 Lone Star Inda Surroughs 3618 3512 1st Hat. Boston 3512 2512 Lones Orue Si	5134 62 Questor 13 131g 5236 63 RCA 913e 2154 9536 961s 221e 222t Relator Puring 1256 1254 Ramada Imps 51s 539 Rank Org. AOR 3 31g	US   105a   1014   105a   1014   US Shoë	Can Packors 2912 2914 Baitica 8 Can Packors 2912 2914 CopHand Can Trusco D. Sukko	Briken 1132 Naarde 1 Bkand 778 +1 Nat Ned Cart 1 delsbank 126 -22 Driab 345.4 +0.4 Hed Mid Bank Ned Lloyd Ned Lloyd Ned Lloyd Open Gripten 1	117.1 +D.5 Cariton & Utd. 2.28 34.1 +0.1 Cariton & Utd. 2.28 138 -0.5 Cautiemains Tys. 3.70 (2017 Oil Aust) 0.50	Mppen Denso.   1,040   50   1,040
CBI inds. 331s 335s 421g 421g 421g Fisona 51s 51s 51s CBS 51s CPC inti. 371s 371s 371s 371s 371s 371s 371s 371s	d 31/2 3076 Raytheon 34/4 35/8 18/8 20 Reading Rates 15/2 15/2 16/3 Redman Inds 56/3 66/3	US Trust	Can Pachtomates 065g; 2634 East Ass Can P. Ent. 1339 1356 Forenda Can Tire 3634 3534 Forenda	atics	25.9 +D.3 Cockburn Cent. 2.50 44.6 -0.1 Cockburn Cent. 2.18 24.8 -0.1 Coxalco 1.75	TO 85 Hippon Steel 163 -1 Hippon Suisan 163 -4 10.52 HTV 4.470 -10 Hissan Motor 829 +20
Campbell Soup 35bg 35 ig Ford Meter	6134   6178	Vernitron	Gomineo 4214 4259 Hord Kal Goms Bathst A. 1418 14 Hord Kal Gont Bk. Canada 678 7 Banifab	nrk 175 bel 139 +18 Robecc Rodemon 1725 +15 Rodemon Rolingo	207. ±1.2 Grussder Oil 4.55 211.2 ±0.2 Dunlop 0.98 122.5 ±D.1 Elder Smith GM 3.20 210.2 =0.1 Endenyour Res. 0.27	-0.05 Hisskin Flour. : 340 -5 -0.07 Nijskin Steel. : 160 -6 Normura. : 456 -2 HYK : 274 -7
Carrisle Corp. 324 356 3556 GATX. 28 28 Macy	33 3436 Rever (DS)	Virginia EP	Costain 712 712 Privatha Daon Dovel 855 255 Emidth 1 Danison Mines 224 254 S. Seren	nken 154.4, Royal Dutch 113.4 Royal Dutch Slovenburg's Ladgen 505	81.6 -1.5   Sen Pro Trust 1.64	-0.05 Oriont 1,31D +0.02 Proneer 1,560 -20 -0.02 Renewn 702 -8
Catter Hawley	14 1334 Revion	Wal-Mart Stores: 61 5212 Warnaco	Oeme Petraloem 8 21a 21a 20m Foundrios A 5114 3112 0cm Stores 1014 15	RS & TH   VIII WOOD   Constitution	123.5 — 1.6 Janmags — 1.25 47 — 1.5 Jambianus Ocepp 0.21 Jones (D) — 1.45 Kia Ora Gold — D.11	5anyo Elec? 431 -2 5apporo 256 43
2   12   12   12   12   12   12   12	221g 286s Robbins (AFI 141g 153g 157g 343g 343g 343g 157g Rochester Gas 137g 137g 313g 151g 313g	Waste Mangt	Domtar   124   12   FalconNic/el   53   355g   56   57   57   58   58   58   58   58   58	E	Leonard Dil	### 750
Champ Nome Big   288   269   Gen Instrument.   3892   3888   388829.Fergn   Champ Int	rp 18 19 Rolling 15% 15%	Western Affines, 4 Westn. Hth. Amr., 1112, 1148 Westinghouse	Hewk Sid. Can 819 812		Myer Emo	-0.02 Taihol Dengyo 540 Talsei Corp. 280 -5 +D.12 Taisho Pharm. 580 -1 Takeda 845 -3
Chomical NY 3512 3578 Gen Telep Elec 3114 3114 Gen Tire	Roper Corp	Whee subratr F  335 <sub>6</sub>   331 <sub>6</sub>	Hudson's Bay mng 1712 1714 CNE 5% Hudson's Bay 221 <sub>2</sub> 221 <sub>2</sub> Air Liquid Husky Oil 71 <sub>2</sub> 75 <sub>4</sub> Aqeitain Imasoo 323 <sub>4</sub> 381 <sub>2</sub> Au Print	do 486 +5 Assicur Gen	Lire — North 8kn Hill. 2.10  0akbridge 1.27  58,580 + 100 Pancen 1.70  189,0 — 0.0 Pan Pacific 0.15	-D.11 TBS
Gigns, September 178   178   Gonulne Parts, 374   584   McDonnids, McDonnids, McDonnids, McDonnids   171   McGraw Frise	674 673 Ryan Homes 1578 1538 1538 1538 1538 1538 1538 1538 153	Whiripool	Imp Di A	495 +6 Centrale	4,710 -50 Pioneer Co	+ 0.01   Tokio Marino
Gitles Servics	11.2 11.6 81.5 Safeto	Williams Co	Man Bloodol 1975   1014   Glub Med GFAO   1014   1019   GFF(Thot Massey Ferr	msoni 174 —5 Halcomonti 3 Halcomonti 3 Halcomonti 3 Halcomonti 3 Halcomonti Montedison Montedison 3	2,750 +15 5,900 -500 Southland M'n'2, 0,50 120s	-0.02 TOTO 413 +2 -0.01 Toyo Seikan 470 +15
Cleett Peaby   1656   1556   Goodrich (BF)   2014   2014   Molville   1600   2014   2014   Molville   2014   Molville   2014   201	3514 3578 St. Regis Paper 2578 8634 3578 4714 4736 Sante Fe Inda 1554 1512 1512 1512 1512 1512 1512 1512	Wrigley	Meriand Explor   5.62   5.50   Cle ten s   Mittel Corp	Ezitx 328 +D.3 Perelli Co	0,540, +30 UMAL Cons	Victor 2,180 -10 +0.83 Wacoal 716 -0 Yamahe 750 -4 Yamazaki 582 -0 +0.02 Yasuda Fire 236
Colt Inda 2712 27 Grainger (WW) 41 41 Merrill Lynch	591s 381s Schoring Ploagh, 305s 307s 307s	Zapata	Norande Mines	1,092 +18 sidental, 370 +0.1 73 +3.5	Woodside Petrol 0.87 Woolworths 1.65	+0.01 Yelcoge wa Bdgs 645 -1 +0.01 +0.05 SINGAPORE
Indices			Par can Petrol 66 66 L'Dreal  Patino	949 +10	HONG KONG	April 29 Price + er
NEW YORK -DDW JDHES Since Cmplitte			Rangor Dil	8	121 2 137.5 5 Cheurig Kong 17.0xd	DBS
e Industr'is 852,64 857,56 855,56 862,16 855,12 845,42 882,52 785,47 1051,70 41,22 (4/11 (8/5) (11/1/75) (2/7/52)	AUSTRALIA AII Drd. (1/1/68) AUSTRALIA (AII Drd. (1/1/68) AUSTRALIA	Migh Low	Ric Algom	S.A 180 –5 Horse Hydro	545	Incheape Bid
Transport 345,20 648,84 351,48 345,81 642,88 642,03 885,48 914,86 447,58 12,32 (7/11 (8/5) (18/4/81) (8/7/82) 115,00 108,81 186,82 10.5	Metal & Minis. (1.7/80)   571.2   571.1   586.5   (C)   AUSTRIA   Gredit Aktien (2/1/82)   52.49   52.44   \$2.50   54.4:	56.96 (417) 62.76 (1919)	Shell can Dil	ignol 652 -8 SWEDEN Elect. 795 +5	HK Telephone 27,3   Hutchison Wpa 16,6	+0.1 2traits Trg 0.65 -0.25 vos 4.38 +0.05
Trading Vol 68,560 58,489 68,500 71,848 64,478 57,820 — — — — — — —	BELGIUM Belgian SE (31/12/65) 86.54 56.49 58.05 89.06		Texaco Ganada 243, 243, 183, 170 mmson Hews A 203, 183, 170 mmson Pipe 213, 213, 213, 213, 213, 213, 213, 213,	AGA Alfa-Lavel	Price + or Hew World Dev. 4.3  D'seas Trust Bk. 5.80  24 +1 210 +1 0wire Pac A	+0.1 April 29 Price + er -0.3 Rand
April 23 April 16 April 8 Year ago (Approx 5,47 6,51 0,51 0,51	Copenhagen SE (1/1/75) 129,78 129.82 129.88 129,56 FRANCE CAC General (\$1/12/81) 108,8 168,5 168,4 108,56	1 125,22 (25/2) 118,50 (9/8) 119,8 (22)2) 35,6 (4/1)	Trans Minth. Oil A 714 712 Utd. Sisco Mines 4,45 4,50 Walker (H) Res 1578 16 Westcoat Trans 13 1314 April Westcon (Geo) 3718 67	ASEA Astra Copeo	LEX   . 2   Wheel'K Mariti'd 5.1	Abarcom 6.10 +0.05 +0.05 AE & GL 7.05 Anglo Am 11.40 -0.65 Anglo Am Gold 75.0 +0.5
STAHDARD AND POORS	Ind Tendanoo (51/12/81)   121.5   129.4   119.5   115.80 GERMANY   FAZ-Aktion (51/12/81)   255.82   255.54   255.44   255.95   255.95   255.95   255.95   2	224.45 (519) 218.55 (18/1)	AEG-Telef Allianz Ve BASF BAYER	475.4 +1.4 Electrolar B Ericason 135.4 -0.5 Esseita (Free)	94.5 +1.5 JAPAN 99 -1 28 Price 1	Barlow Rand 8.5 -0.1
April	HOLLAND AHP-CBS General (1970) 75.5 75.6 75.9 76.9 77.9 77.9	728.5 (5/4) 869,7 (18/1) 84.8 (27/4) 84.2 (8/1) 76.9 (6/4) 86.9 (4/2)	Bayer-Hyp Bayer-Yen SH Fenk BMW	912.6 -0.5 Fortia (Free)	197 +1 Alinomote 847 126 +1 Amada 671 187 +0 Assahi Glass 575	3 Do Beors 0 Driefentein 23.25 -0.75
Composite 117.26 118.80 118.28 118.54 117.20 118.72 122.74 107.54 149.52 4.487 149.52 4.487 149.52 4.487 149.52 147.5 18.51 128.11/80 11/6/32	HONG KOHG Hang Sene Bank (51/7/64   1505.85   1259.85   1886.08   1278.27		AUSTRIA Drawn Bo Gemmarzi Conti Gem April 22 Price + or Dalmier B	weri 201.7 -8.3 Skanda 201.7 -	40	16   Gold Fields SA   61   14   14   14   14   14   14   14
Ind. div. yiold %         5.72         5.71         5.75         4.56           Ind. P/E Ratio         7.70         7.77         7.81         10.52	TALY Banca Comm Ital.(1972) 191.89 192.38 182.73 181.12 JAPAN** Dow Average (15/6/45) (c) 7485.28,7417.18/404,81	7928.55 (27/1) 5389.58 (17/5)	Dreditanstalt 212 Deutsche Banderbank 299 +4 DU Schult	136   Swedish Match   Velvo(Free)   1	00 4 Dai Hippon Pig 078 Daiwa House 408 Daiwa Seiko 590 Ebsra 590	-6 Protes Hidgs 2.65 -5 Rembrant 8.60 Returies 4.15
Long Gov. Bond yield 12.98 15.11 13.34 15.07  NY. S.E. ALL COMMDH Rises and Falls  Apr. 28 Apr. 07 Apr. 20	Tokyo Hew SE (4/1/88) (c) 546.22 546.42 546.55 NDRWAY Oslo SE 17/1/72) 117.76 118.08 118.67 118.75	545.29 (27/1)   590,70 (17/6)	Semperit	Mank 164.0 +0.0 184.0 +0.6 68.0 -0.6 SWITZERLAND	Eisal	g Rust Plat 4.05 Sago Hidgs 2.5 30 A Brews 4.6 Tiper Cats 18.50 -0.25
Apr. Apr. Apr. Apr. 1888 Issues Traded 1,848 1,914 1,880	SINGAPORE Straits Times (1869) 780.55 785.69 787.48 785.08		Heschst Hosch Holzmann Herton Kall und S	(F) 0252	Oreen Cross 1,280 Hasegawa 560 Holwa Ri East 561 Holwa Ri East 561	Financial Rand US\$0.79  (Discount of 18%)
E7.55.67.85.68,62.88,25 71,20 62,52 Unchanged 422 382 582 67 (4/1) (12/8) New Lows 01 28 16	SOUTH AFRICA Gold (1856) (u) 429.5 425.2 449.1 Industrial (1856) (u) 586.5 581.5 580.0	569.5 (5/1) 411.2 (1/5) 7(1,7 (8/1) 565.5 (29/6)	Kerstadt	189.5 +1.3 Ciba-Golgy 1 157.5 -0.2 do (Part Certa) 1	985 – 5 Hitachi Koki. 475 Handa 758	BRAZIL 7 24 BRAZIL 7 27 April 29 Price   + ar
MONTREAL April 26 25 High Low	SPAIH Medrid SE (69/12/81) 180.58 100.78 100.71 (c) SWEDEN	107,45 (6/2) 29,17 (6/1)	April 29 Price + er Lufthansa.	59.5 Fischer (Geo) Hoff-RochePtCts 58		5 Arreste
Industriale 284.78 285.79 286.50 288.35 582.79 (4.1) 278.48 (18.5) 288.07 288.08 (271.28) 270.39 518.08 (4.1) 288.08 (18.5) 270.070 Composite 1565.1 1871.8 1886.6 1883.2 1858.6 (4.1) 1857.6 (18.5)	Jacobeon & P. (1/1/58) 856,03 855,52 858,64 857,78 SWITZERLAND Swias BankCpn.(31/12/68) 259.5 257.7 257.9 258.40	992 1 (11/1) 945 E (11/E)	ARSED 1,388 -12 Mannesma Band Int A Lux 4,000 Marcades	Hig 247   -1   Lancis & Cyr.,	750 -50 JAL 9,330 - 270 Juseo 586 - 305 - 10 Kajma 375 - 306 - 10 Kajma 586 -	-50 Beigo Min 4.20 +0.25 -51 Lette Amer 7.00 +0.26
NEW YORK ACTIVE STOCKS Change Ghange	WORLD Copital Intl. (1/1/78) - 158,9 157,1 158,9	147,2 (4/1) 126,1 (17/8)	Diment CSR	tek 835 — 00 Der Buhrlie 1 205.0 — 0.0 Pireill tElect 168.2 — 1.1 Sandoz (8) — 4.2 Sandoz (70 Cts) — 9.7 S — 1.2 Sandoz (70 Cts) — 9.7 S — 1.2 Sandoz (70 Cts)	0351S Kastuyama 810 4 035 Kikkoman 389 .05050 Kirin 427	0 Unip PE 14.00 +0.50 Valo Rio Dona 18.40 +0.20
Wednesday         Stocks Closing on traded price day         Stocks Closing on traded price day         Stocks Closing on traded price day           Std. Oil Callf.         732,700 30%         30%         - ½         Schlisz Brewing 523,900 16½         -           ISM	(**) Saturday April 24: Japan Dow 7.3  Base valess of all Indices one 100 sacept Austr 500. NYSE All Common—50; Brandard and Poors last named based on 1975. † Excluding bonds	Fig. 18: 541.80.  Fig. All Ordinary and Metals—  -10: and Toronto—1,000; the	abrique Nat. 2,550 - 5 Bohering 5.B. inno. 2,565 + 50 Siemon 7hysen 6boken 5,375 - 35 Vebs	173.0 -1 Swiss Sank 0	724 _ 2 Komatsu Fift _ 398 + 296 Konishroiku _ 589 +	7 Turnover: Gr.775 3m. Volume: 115 3m Soerce: Rio de Janeiro sc
808ing	lest named based on 1975. † Excluding bonds industrials oftes 40 Unhoes, 40 Financials and u Unavailabel.	20 Transports, e Glosed   p	ntercom 1,530 -10 Versin-Wei (redistbank 4,420 -90 Volkswage an Hidgs 6,940 Volkswage	at 077 1 Umon Sank 8 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	930 Individual exchanges and suspended, ad Ex divided as Ex ell.	nis page are as quoted on the are last backet prices. S Davings d. ac Ex scrip issue, ar Ex rights.
,					in the state of th	

# Markets rise afresh despite prevailing uncertainty Share index gains 6.7 to 582.0—ICI disappoints

\*First Declara- Last Account Declara- Last Account Declara- Last Account Dealings thous Dealings Day Apr 19 Apr 28 Apr 29 May 10 lative buying accompanied by Apr 30 May 13 May 14 May 24 talk of a dawn raid today.

\*\*Pow time\*\* dealings\*\*

\*\*Pow time\*\*\* dealings\*\*

\*\*Pow time\*\*\* dealings\*\*

\*\*\* Commont on the preliminary figures with a rise of 24 at 492p and Grindlays moved sharply higher on speculative buying accompanied by talk of a dawn raid today.

Year-end book \*\*\*

\*\*Pow time\*\*\* dealings\*\* " New time " dealings may take place from 5.30 am two business days

Disappointing first-quarter figures from ICI, which touched 306p before closing 5 down at

306p before closing 5 down at 318p, slightly dampened another good performance in London slock markets yesterday.

Despite the prevailing uncertainty, lesding sbares continued to edge higher and were looking distinctly firm in the late dealings with company trading statements again entirepting. ing statements again enlivening the day's proceedings, Underlying conditions, however, remained extremely sensitive pending further developments in the Fsikish Islands crisis.

Measuring the trend, the FT 30-share index improved to show so there index improved to show a rise of 4.8 at noon, but the gain was reduced to 3.7 an hour later following 1C1's figures. Theresetter, the trend beld quietly steady until the 1ste dealings when a rise of 3.3 in the index at 3 pm was extended to 6.7 at the close of 582.0. The volume of trade was low vector. volume of trade was low, yesterday, the last day of the Account, co-inciding with the conclusion of the financial year for several johning firms which tended to further restrict business.

Among the day's outstanding continued to attract speculative features. Blue Circle responded interest and added 4 for a two-

Government Secs ....

Gold Mines.....

FINANCIAL TIMES STOCK INDICES

Fixed Intercet........ 58,12, 69,00 67.93 67.98 68,24 68,19 70.95

Industrial Brd. ... 592,0 575,3 570,2 558,0 567,1 669,0 597,3

P.E Ratio met: 11..... 10.98 11.62 11.51 11.49 11.48 11.36 11.50

Total bargains ... ..... 17,394 16,267 15,928 16,121 15,415 15,910 28,244

Equity turnover Im. - 129,07, 133,57 103,19 218.59 151,74 222.77

Equity bargains...... - 13,331, 13,399, 11,850, 12,398, 19,550, 24,436

10 am 578.1, 11 am 550.1, Noon 590 1, 1 pm 579.0.

2 pm 578.9. 3 pm 578.6.

Latest Index 01-246 8026.

\*Nil = 10.22.

HIGHS AND LOWS . S.E. ACTIVITY

126/51 | 15111 | 1311/651 | 1511/76| Equities ... | 96.4 | 86.7 | 126/51 | 1511 | 128/11/47| | 31.175| Bargains ... | 96.4 | 86.7 | 241 | 17:11 | 128/11/47| | 31.175| Value ... | 260.91 | 270.0 | 101.0 | 07d ... | 592.0 | 518.1 | 597.5 | 49.4 | 611-Edged | 611-Edged | 8argains ... | 138.7 | 144.2 | 144.2 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 145.6 | 14

Low . High ! Low

1/7, 35. Gold Mines 12/9/56. SE Activity 1974.

Bears 100 Govt. Secs. 16/10/28. Fixed lat. 1928. Industrial Ord

April April April April April 29 29 27 26 23

67.85 67.70 67.72 67.59 57.61 67.67 BB.90

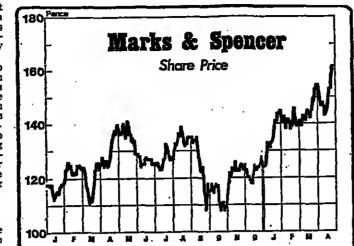
246.5 252.8 256.2 267.1 260.1 250.7 346,7

Year-end book squaring also tended to restrict business in the Gilt-edged sector but, as in equilities, uncertainty shout the Falkland crisis failed to balt sn extension of the previous day's late turn for the better. Quotations at the long end of the market ended with gains ranging to 2 and sometimes 4. Shortto and sometimes. Short-deted issues recorded further rises extending to a sud the Government Securities index closed 0.16 bigber at 67.86.

#### Grindlays jump

Grindleys highlighted the banking sector, lumping 20 to 206p on a resurgence of specuan imminent dawn raid. Lloyds Bank, the owner of 9 41.4 per cent stake in Grindlays, eased to 404p before closing a couple of pence off at 405p. Other clearing banks were dull but closed shade ahove the day's lowest. The chairman's announcement that the company had won export orders worth \$1.5m beloed AIM orders worth £1.5m helped AIM Group to rise 5 to 153p. Conti-nental Microwave. Wednesday's newcomer to the Unlisted Securities Market, firmed 5 to 317p compared with the placing price

of 260p.
In the drinks sector, Tomatin



day gain of 11 at 60p.
Buildings displayed several firm features. Press comment on the preliminary results prompted demand for Blue Circle which put on 26 to 494p, while Tarmac, still responding to the annual still responding to the annual trading statement, rose another 6 to 540p. Satisfactory preliminary profits and the chairman's confident statement lifted George Wimpey 9 to 116p, while Tilbury Group, responding afresh to favourable Press comment, gained another 10 to 435p. John Mowlem, annual results due next Wednesday, firmed 7 to 202p, but Ben Bailey shed a penny to 14p Ben Bailey shed a penny to 14p on the half year loss and dividend

cut. Elsewhere, Marshalls (Halifax), a neglected market recently, met renewed invest-ment support and gained 8 to 103p.
ICI dropped to 306p on firstquarter profits well below market estimates before rallying on bear-closing to settle only 6 cheaper on balance at 318p. Late support left Fisons 3 dearer at 232p, while Costes Brothers "A" put on 4 to a 1982 peak of S3p.

Great Universal Stores, which launched a bid for mail-order house Emplre last Wedoesday, purchased 14.68 per cent of the equity through the market at

Empire, firmed 3 to 64p.

Elsewhere in Stores, excellent preliminary results from Marks and Spencer were fully discounted and the close was only a penny hetter at 162p. after 165p. House of Fraser, which announced annual results on Wedoesday, firmed a couple of pence to 155p, while W. H. Smith touched 192p before settling for a penny at 188p.

around 4, while Lee Cooper of pence to 248p. Elsewhere in were hriskly traded and closed 4 the Food sector, British Sugar higher at 140p; the preliminary added 5 to 475p and Arana 6 to Tesults are expected next David Scott were temporarily. Savoy "A" firmed 8 for a two- Wednesday.

suspended at 24p in front of the announcement of factory closures and redundancies; the shares returned from suspension a net

#### Plessey feature

14 lower at 23p.

Buyers continued to show an interest in Plessey following recent Press comment and the shares closed a further 10 up sbares closed a further 10 up and 20 better on the week so far at a 1982 peak of 397p. Other Electrical leaders also moved higher with demand continuing after-hours. GEC, 855p. and Racal, 398p, rose 8 and 6 respectively. Elscwhere, Antomated Security appreciated 10 to 340p. and Farnell added 8 to

mated Security appreciated 10 to 240p and Farnell added 8 to 198p. Cray Electronics put on 5 to 60p as did Electrocomponents, to 183p.

Numerous features emerged among secondary Engineerings. Hopkinsons rose 8 to 120p in response to doubled preliminary profits and proposed one-for-six scrip issue, while United Wire added 5 to 96p following better than-expected first-balf estimates. than-expected first-balf earnings. Reflecting the reduced deficit, Evered bardened a couple of pence to 23p. Simon, still drawing strength from recent good results, firmed 7 more for a rise on the week so far of 32 to 395p. equity through the market at just over 113p per share bringing its holding to 29.9 per cent. Empire touched 114p on the move hut eased to close a net 2 cheaper at 108p. GUS "A" moved between extremes of 491p and 487p before finishlog 2 dowo on balance at 488p. Sears, widely mooted as a rival suitor for Empire, firmed 3 to 64p.

Elsewhere in Stores, excellent preliminary results from Marks

selected secondary issues responded to speculative buying. Vaniona, 135p, J. Hepworth, 97p. and Owen Owen, 164p, 8ll added to selected secondary issues responded to speculative buying. Wednesday, lifted J. Sainsbury 10 to a 1982 peak of 620p, but Kwik Save, balf-year results due next Thursday, softened a couple of the selection of the selection

day gain of 8 to 202p with the "B" s point up at £20 following the smaller-than-expected annual loss and the statement on cur-

### Turner & Newall good Miscellaneous .Industrial leaders generally shrugged sside ICI's disappointing quarterly statement and closed firmer for choice, but below the best in places. The late dealings were featured by buying for the new Account of Turnor and Newall, which forched 5 to the gund at which finished 5 to the gund at 68p. Rank Organisation lost 4

more to 166p, sentiment still soured by disappointing quar-terly figures from Xerox. Else-where, Henry Boot savanced 11 to 223p on the good results and Office and Electronic gained 10 Office and Electronic gained 10 to 325p, after 330p, also following satisfactory trading news. Reduced first-quarter losses helped Hoover A to rise 5 to 105p, after 107p, while renewad speculative buying prompted fresh gsins of 4 and 6 respectively in Booker McConnett, 71p, and Avon Rubber 113p. Speculative demand also enabled tive demand also ensbled Hawtoy to add 6 to 91p. New Equipment closed a similar amount better, at 39p, while

ahead of next month's prelimin-ary results. Extel gained 5 further to 288pt.

The increased annual profits and dividend reported by Flight Refuelling came as no surprise and the shares, a firm market of late, reacted to profit-taking and finished 12 down at 263p. Other Molor Components ended with modest gains, where altered.

rees comment, Properties met renewed support and closed with useful gains in places. Land Secorifies improved 8 to 286p and MEPC 3 to 196p, while Hammerson A put on 15 to 600p. Haslemere Eslates firmed 4 to 364p, while Slough Estates, 130p, and Capital and Counties, 12Sp, added 2 apiece, Slock Conversion

#### Carless drilling report

The Oil sector featured the The Oil sector featured the Humbly Grove participants, which moved sharply higher following the favourable No. 2 well drilliog report: Carless Capel gained 9 to 192p and Caoderca 13 to 218p, while Marinex put on 18 to 123p. The oil majors, easier at first, usually erased early falls to close on a firm note.

hid approach lifted Welheck 3 for a two-day gain of 8 to 45p Shippings Usually displayed modest gains P & O Deferred

Renewed weakness in the bullion price coupled with a downturn in the Finsncial Rand rate left South African mining issues showing substantial losse for the third successive day. Persistent London and Con-tinental selling, only partly offact by choap buying thought to bave originated from Switzerland encouraged losses ranging to 1 as in Vaal Reefs, £26, while falls of a were common to Rand-fonteln, £241, Buffels, £141, and

fontein, £241, Buffels, £141, and President Steyn, £121.

The Gold Mines index dropped 6.3 more to 246.5—a three day decline of 20.6, Gold hullion fell \$1.6 to \$350.50 an ounce.

Other South African issues followed a similar path with recently firm Cosls notably under pressure. "Amcosl featured with \$ \frac{1}{2}\$ decline to £13\frac{1}{2}\$, while Rand London Corporation dipped 5 to \$ 1982 low of 65p.

Australisms remained quietly steady. Minor losses in the leaders reflected lack of progress in precious and hase-metal prices

in precious and hase-metal prices while the speculative oil and cas issues gave ground in the absence of any significant news from the drilling rigs.

Activity in Traded Options improved slightly and contracts completed yesterday rose to 1.772—1.419 calls and 353 puts. Marks and Spencer attracted 222 figures, while P & O Deferred, due to renort shortly, recorded 176. Imperial and ICI were dealt 26S and 131 times respectively. while Racal return to favour and attracted 193 calls with 112 struck in the May 390's.

#### **OPTIONS** First Last Last

Deal- Declara- Settleings ings tion ment April 26 May 7 July 29 Aug 9 May 10 May 21 Aug 12 Aug 23 May 24 June 11 Sept 2 Sept 13 For rote indications see end of Share Information Service

Calls were taken out io F. H. Tomkins, Whittington Estates, ICL, First National Finance, Town and City Properties, Sound Diffusion, Premier Oil, Smith St Anbyn, KCA International, Rothmans International, Clyde Petroleum and Marinex. No puts were reported, but doubles were arranged in RTZ. Town and City Properties and First National

#### RISES AND FALLS

			_
	Rises	Falls	5am
British Funds .	83	7	9
Corpns., Bom. and			
Foreign Bonds	14	3	58
Industrials	292	186	884
Financial & Props.	164	61	283
Bils	28	27	52
Plantations	' 1	2	20
Mines	. 13	72	75
Othors	47	52	61

#### RECENT ISSUES

Issue			·	EQUITES						
142 F.D. 26/3 al2 186 Amersham 211 -5 55.5 C.P. C.A. ii.0 F.P. 155 109 105 4.Cambrian & Gen. 7-p 28 102.5 7.6 5.3 1.4 1.5 105 109 105 4.Cambrian & Gen. 7-p 28 102.5 7.6 5.3 1.4 1.5 105 109 105 4.Cambrian & Gen. 7-p 28 102.5 7.6 5.3 1.4 1.5 100 F.P. 151 122 How (George 125 5.6 5.7 4.0 6.5 5.5 1.5 1.5 1.1 5.4 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	price	Amount paid up Lotest Renuno.	·—-,		O'osling prioc	+_0	Divi p. ou p	Covered	Yield P.C.	Fatto
	142 155 160 102 150 150 150 150 150 156	F.O. 26/3 F.P. 16/4 F.O. 21/5 F.O. 29/6 F.O	212 186 39 105 317 253 52 61 155 122 145 140 40 27 15 10 250 245 93 88 122 267 134 122 170 137 170 137 170 137 170 137 171 135	Amersham Cambrian & Gen.7-p Cabs Group 10o. 20.tin nt'i Micr' w've ACEBrett-Andro 10r Dow George Ziruck Hidgn Grecnirar Warranis Jer'p Inv Ilption Crts Jelo Technology Jelmm. Sus. 6ys. 10p Jelosen Irilling Steieure Inds	211 297 517 61 125 143 16 248 268 168 268 168 30 411	+5 -1 -5 -1 -1 -1 -1 -3 -1 -2 -1 -2 -1	5. dice. 1   1.0. 1.5. 1.5. 1.5. 1.5. 1.5. 1.5. 1.5.	2   5.91.05	2.4 To 1.1 To 1.2 To 1.	0 45.640   13.65   5

#### FIXED INTEREST STOCKS

Drice op 1997 Stock	
E E E High Low	<u> </u>
100 F.P. 14:4 116 110 Boddingtons Brew 91: Chv. Ln. 2939.05 112	, 
(99.593£25 14:7 25 211: Crod. Foncier de France 14: Len. 197 23	
#100 £10 1/7 1112 111; East Anglia Water 9; Red. Ori. 1911 1957 154	·
100 F.D. 22:3 105 97 Hunting Pct. 10°, Cnv. Ln. 1997, 105	
100 F.P. — 100% S9% Nationwide 8dg. 3oc. 141; 14,5.85; 150	
100 F.P. 100 100 100 10 14 1 25 4.55	ا است
F.P. 16/4 1023p 100p Ropners 1175 Cum. Prl 1023 99,53 190 90/5 251g 1934 Trans-Canad Opelines 16/5 Notes 231 25	

#### "RIGHTS" OFFERS

£8\_ +cr

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brico	E det			9tock	35
0	₹E •	# High	Low		8
10	F.D. 27:4 9	9:5 : 135	13	Anabacher H. 5p	120 +12
170	NIL .13.5 2	4 B 20pm	20pm	Bank Leumi (UK) 11	152 +2
125 AS1	F.D. 21:4 2		135	Bond Corp	9 to p.m.
70	F.P. 15/3 1	9,4 110	73	+Clydo Petrolcuni	110 -:
30 90	F.P. 29:5 1 F.P.;50:4 2	0:5   60 8:5   86	50 67	First Castle 10p	56 -1 -3
5 1	NII 10/5 2	1/6 1 1pm	ı' kom	Crovebell 5p	
160 120	F.P. 22/3 2 Nil 7/5	9/4 . 188 4.6 : 34pm		Nunting Det. Services	156 31pm -2
145		7/6 420m	ı' 35pm	Low Wm., 200	äepin
18 6	F.P. 19/4 2	14pm	4 4 pm	North Kalgur	5pn;
87		7/5 2812	271	Queenn Mont	57
9B (		4:6   104 6:5   120	99	Riley Loisure	100
74 1 170 :	F.D. 9:4 NII _	52pm	45pm	St. George's Crp. 10p	
10	F.P. 94/3 2	3/4   121	1012	Sturia 10p	11 15pm –2
133	Nil -10/5 1	0/6   18pm	13pm	Vickers (£1	120011 -3

Responsition data usually test day for dealing free of stemp duty. A Repure based on prospectus estimate. In Dividend rate poid or physicial on part of expirit cover based on dividend on full capital. A Repured dividend and yield. I indicated dividend cover relates to previous dividend. P/E railo based on Litary annual earnings, a Forecast dividend; cover based on previous year's comment. F Bividend and yield based on prospectual or other official estimates for 1832. Q Gross. T Figures assumed. The Figures or report avaited. A Cover allow, for conversion of charse not now ranking for dividend or ranking only for restricted dividends. Placing price. P Pence unless otherwise indicated. T issued by tender, I Offered to holders of ordinary shares as a "rights," I stated by way of aspitalization. S Relativeduced. I issued to connection with rearganization, marger or take-over. If introduction. I issued to tender preference heiders. Market, the control of the provisional or party-paid allocated intrast. With warrants. It Dealings under special Rule. If United Sector's a Market, the London Listing. It Effective Issue price after scrip. I Formitty deat is under Nate 183(2)(a). It that comprising five ordinary scale cap.

#### ACTIVE STOCKS

Stock	Closing price penca	Oay's	Stock	Closing price pence	Oan's
Blue Circle	494	+26	Lloyds Bank	476	2
Candecca	21B	+13	Marks & Spencer	162	<b>-</b> 1
mpira Stores	108	- 2	Plessey	597	+10
Filght Refuelling	263	12	Smith (W.H.) A	18B	+ :
Grindisys	206	+20	Turner & Newall	೯ಕ	$+$ $\sigma$
C1	31B	- 6	Wimpey (G.)	115	+ 9
_			to the second se		

#### WEDNESDAY'S ACTIVE STOCKS

	pasau	du nail	gamis ieco	idea ili Ç.E. Dilici	ai 619,		
	W		Wednesday's				
	No. of	closing			No. ol	Cipsing	
	price	pnce	Day's		price	price	Day 1
Stock	changes	репсе	Change	Stock	Changes	Cauto	ching
BAT Inda	27	460	+37	P & O. Beld		126	÷ 3
ICI	16	3.74	÷ 4	Unitever	13	605	···· \0
Cnt MicroWave	15	312	-	BP	12	322	+ 4
GEC		847	47	9urmah Gil	12	150	<b>-</b> 3
Courlaulds	14	86	+ 1	Grand Mc1	12	208	+ 3
Shell Transport		416	_	L431:10	4.5	230	
Imp Group	12	9812	÷ 1½	Tozer Kemsley		61	- 6

#### WORLD VALUE OF THE DOLLAR

130.1

Bank of America NT & SA, Economics Department, London

quoted ere indicative. They ere not based on, and are not intenued ee e basis for, gerticular tracescrione.

Beak of America NT and BA does not usdartake to trade in foreign currescries, and neither Bank of America NT and SA constitutions accounts responsibilities for rumencies as all Wednesday. April 28, 1982. The exchange rates listed are middle rates between buying and salling exten as quoted between buying and salling exten as quoted between beart, unless otherwise indicated. All surrencine era quoted in foreign currency units per one U.S. doller except in certain epocified eroes. All reles

COUNTRY	CURRENCY	VALUE OF OOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	CHUNTRY	CURRENCY	VALUE IIF
Afghenietan	Afghani (O)	68,25	Guadaloupa	France	6,144	Pitcairn Is	N.Z. Doller	1,3005
Albania	Lek	6.57	Cuam	U.S. 5	1.00	Poland Portugal,	Zloty Q	80.00
Algeria	. Biner	4.54	Guntemain	Quetzal	1.00	Portugal	Escudo	71,95
Andorra	Fr. Franc	6.144 104,30	Guines Bissau Guinea Rep	Peso Culi	39.08 21.985	Port Timor	. Escudo	n.a.
Anople	Kwanza	30,914	Guyaпа	Dollar	2,9793	Duerto Rico		1,00
Antigus	E. Carlbbean 5	2.7023			5,00	Qatar	. Riyal	8.6397
Argentina	Peso ((,2)	11575.	Honduras Rap	Lemoir	3.00	Reunion IIa de la	Fr. Franc	6.144
AUSTIEIIG	DOTTUR	0.945	Hong Kong	Hollar	5.8265	Romania	Leu IOJ '	4,47
Austria	Schilling	16.60	Nungary.	Forint	34,9827	Rwanda	Franc	92,64
ATOTAL	Port. Escudo	71.85 1.00	loeland		10.3262			
Bohamas	Oppor	0.377	India	Rupee	9,3895	St. Christophar	E. Caribbean \$	2,7025
Bahrain	So. Pesota	104.30	India Indonesia	Rupiah	652,50	St. Holena	Pound	1.7813
Sangladesh	Taka	21,45		Rial IB)	B2,92	St. Lucia St. Piorra	E. Caribbean 6	B.7096
Sarbados	Dollor	B.01	]raq	Dinar	0.2953	St. Vincent	F Corlbbann S	5.144
Belgium	Franc (CI	44,46	Irlah Rep	Punt*	1.4675	Samos (Western)	Tala	0,8565
na.Ald	Franc (F)	47.55 2,00	israol	Suekei	80,57 1302,55	Samoa (Am.J	. U.S. · <b>S</b>	1,00
Belizo	CEA France	307,20	Ivory Coast	C.F.A. France	307,20	San Marino	It. Lira	1302,55
Sarin Sarmuda	Collar	1,00	Jamaica		1,788	Sao Tomp &		1 '
Shutan	Ind. Rupos	9.3985	Jopan	You	235.82	Principe OR.	Dobra .	40,1902
Bolivis	Peso	45.565	Jordan	Віпаг	0,346	Saudi Arabia	Riyal	5,4505
Bolswana.	Dula	0.9518	Kampuchea		0.5	Senegal	C.F.A. Frame	307,80
5raz)	Cruzoiro	155,225 2,1135	Kenya	Shilling	10,5059	Blarra Leone	Lenns	7,3894 1,2141
Srunei	Doller	0.842	Kıribati	Aust Opliar	0,945	Singspore	Dollar	9.1135
Bulgano,	Kynt	5,4516	Kıribati Korea (Nth)	Won	. 0,94	Solomon is.	Collar	0,9158
Burundi	Franc	80.00	Korea IStri	Won	718.50	Somail Rep	8hilling (3)	5,35
Cameroup Ro.	C.F.A. Franc	307.20	Kuwait		0.286	South Africa	Shilling (4)	18,46
Connda	Dollar	1.2266	LEO D'OIE D. REP	KIP	10.00	Spain	Rang Pesett	1,0454
CAUSIA IN	Obi i ongië	104.30	Lecanon	Pound	4.9685 1.0454			104,30
Copo Vordo In.	Escudo	54,70 0.835	Lesotho	Coti -	1.00	Sonn, Ports in N.	So. Pasete	104.50
Cayman Is Con. Af. Rop	C F A Frenc	307,20	Libya	Diner	0,2961	Africa	7 0011 0000	
		307.20	Libya Liachtenst'⊓	Sw. Frano	1,9477	Sri Lanka Sudan Rep	Rupas Round (1)	80,55 1,1111
		39,00	Luxambourg	Lux Franc	44.45	Surinam	Culldor	1.785
China	KENDONDI TURN	1,8287	Macao,	Pataca	5,7084	Swaziland	Lilangeni	1.0454
		82.01 307.20	Madagascar O. R	Franc	507.B0	5weden	Krono	5.857
Contoron		307.20	Medeira	Port. Enoudo	71.85	Switzerland	Franc	1.9477
COURDS DIE KED DE	Colott (O)	B.60	Malewi	KWACHA	1,1124 2,38	Syria	Pouns	. 3,925
Costa Rice	Colon	! . <b>38.09</b>	Malayela	Krighes (C)	3.85	Taiwan	Dollar (O)	: 38.18
Cube	Deno	0.8144	Maldive Is	Rullyan (M)	7,55	Tanzania	Shilling	8.8068
Cyprus	Pound*	2.1555 5.85	Mall Rp	Frano	B14.40	Thailand	Bamt C.F.A. Wygne	23,00 307,20
Caechoslovskio	KOTUINE (O)	8.0038	Malta	Donug	2.474 5.144	Togo Rep Tonga is	Pa'anga	0.945
Denmark	Krone	177.72	Martiniqua Mauritania	Coloniva	51,29	Trinidad & Tobago	Dollar	. 8,409
Osibouti Ro. of	Franc	8,7025	Mauritipe	Rugge	11,1023	Tunisis	Dinar	0.5645
Donin. Rap	Page	1.00	Maxico	Peso	46,33	Turks & Calcos	Lira	147.30
	Sucre (O)	25.00	i Miguplon	Fr. Franc-	5,144	Tuvalu	Aust. Dellar	0.945
Ecuador	Sucre FI	43.20 1.1976	Monaco Mongolia	rr. rranc Tonelle (III	6,144 3,3555			
EBYO1	Pound' (D)	1,2151	Montserrat	E. Caribbean S	- 2,7025	Utd. A'b. Emir	Shilling	78.00
El Salvador	Colon	i 2,50	Morecés	Dirhem	5.9249	Utd. A'b. Emir	Ilirham	3,6731
Eq'ti Cuinea	Exuale :	208.60	Mozambiqua	Metica	29,6415	Utd. Kingdom Uppar Volta	C.E.A. Empo	1.7813 307,20
Ethiopia	51rr (O)	2,0378 8,0038	Nemible	S.A. Rand	1.0454	Uniquey	Desc	12,1243
Faoros la	Dan. Krons	1.7815	Naury Is	AUST DOINE	0,945 13,20	Uruguay	Roubla	12,1245 0.7788
Falkland Is	Pound-	0.9152	Nepal	Cullder	2,5145			
Finiand	Markka	4 555	Neth- Ant'les	Culidor	1 1.80	Vanuatu		99,297 0.945
Frence	Franc	8,144	New Zealand	Dollar	1,3005	Vatican	Aust Dollar Lira	1302.55
Frence Fr. C'ty in Af	C.F.A. France	307.80	Niceragus	Cordoba	10,05	Уопеzивів	Boliver -	4.2957
Fr. Guiana	Franc	6,144 106,664	Alger Rp	C.F.A, France	307.20 0,6695	Viotnam.	Dong (B)	a,18
Fr. Peo. III	C.P.P. Prans	307.20	Nigoria	Yrone .	. 6,019	Virgin is Br	U.S. S	1.00
Eabon	CAPA PRESE	2,2455	Norway Oman,Sultanate of	r. ace	0.3456	Virgin Is. U.S.	U.S. 5	1,00
Gambia	Ostmark (0)	2.554			11.6578	Yeman	Rial	4,5605
Cerm IE)	Mark	2.354	Pakistan	Rupeo Relbos	1.00	Yoman DOR	Dinar	0.3463
AL	Cadi	2.75	Panama	Kina	0,7187	Yugoslavia		46.2148
C. brander	. POUME-	1.7813	Papua N.G Paraguay	Guarani	196.00	Zaire Rp	Zaire	. 5.6392
		63,30 8,0038	Parti	Sol	605.01	Zambia	Kwacha	. 0.9097
		2.7025	Philippines	Peso	8.378	Zimbabwa	Dollar	, 0,7407
Craantano	F. CALIDDENI .	2,1440						

n.s. Not evailable. (m) Market rete. = U.S. dollars per National Cur rency unit. (o) Official rate. (c) Commercial rete. (f) Financial rate, combined [1] Egypt—Floating rate fixed daily by Central Bank of Egypt for Importers, Exporters, Tourists, (2) Argentins—Commercial and Financial rate combined [1] Egypt—Floating rate fixed daily by Central Bank of Egypt for essentisj. Importe. (4) Somall: Exporter and Non-Essential Imports and Transfers, (3) Commell: Parallel exchange rates introduced July 1—for essentisj. Importe. (4) Somall: Exporter and Non-Essential Imports and Transfers.

#### **NEW HIGHS AND LOWS FOR 1982**

The following quotations in the Shn Information Service vesterday attained no Highs and Lows for 1982. NEW HIGHS (91) BRITISN FUNDS 34
Fanding 51pt 02-56
Fanding 51pt 02-56

AMERICANS (4)
Teboro Pt
Woolworths
OUILDINGS 11)
Bellway
Allockizm
Higgs and Hill
Lovell (7, J.)
Mowlem (J.)
Travis nor Arnold
Misconcrete

British FUNDS 131

Mowlem (J.)
Travis nor Arnold
Wisconcrete

Travis nor Arnold
Wisconcrete CHEMICALS 141 ELECTRICALS 1121

ENGINEERING rei
Anderson Strathclydo Staveicy Inds
Evered
Hopkinsons
Spirax-Sarco
VW INDUSTRIALS 114 INSURANCE (1) San Life LEISURE (4) NEWSPAPERS (4)
Black (A, and C.) Roulledge K Paul
Ilaily Mail A Websters PAPER I11 Cradley PROPERTY (2) SHOES 111 TEXTILES ISI Surling Groap Vinig Tootal

Leda Inv Cap 1928 Inv 7R North America TIL AND GAS (2)
Carless Capel Epiloton III Gas NEW LOWS (33) AMERICANS (1) Kaiser Al CANADIANS (4)
Bank of Montreal Can Pacific Ent
Brassan Hnwker Siddele BANKS IT) BUILDINGS |1|

ELECTRICALS (2) FOODS (1( Queen'n Moai 101-pec-INDUSTRIALS NEWSPAPERS /11

ERIIFERTY (4) | Do 12ecCov Secs Wereidbave Centrovincial Thames Inv Secs SHIPPING 111 ondon and Overscas Freighters TRUSTS (5) Sritannia Arrow Kellock IIVERSEAS TRADERS ISC

TEAS (\$)
McLead Russel 2.4×Pf

#### FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	. т	hurs /	April 2	29 198	2	Wed April 28	Tues April 27	Mon April 25	Fri Azril 23	Yes are
& SUB-SECTIONS				Est. Earnings	Gross Div.	Est. P/E					
Figu	res in parentheses show number of stocks per section	lindex No.	Day's Change %	Yield % (Max.)	Yield % (ACT at 30%)	Ratio (Net)	Index No.	index No.	Index No.	Ra.	Inde ita.
1	CAPITAL G00DS (208)	379.34		9.65	4.25	12.89	375.83	374.71	371.48	37L49	250
2	Building Materials (23)	336.82		13.88	5.24	8.70	332.23	332.02	32:25	325.25	322
3	Contracting, Construction (28)	615.44	+2.2	14.22	4.80	8.30	601.92	634.25	575.22	575.00	653.
4	Electricals (31)	1337.44	+1.1	6.98	2.21	18.30	1322.30	1311.06	136.54	127.37	1251
5	Engineering Contractors (9)	499.54		13.43	6.13	8.77	497.50	499.65	495.70	495.74	532.2
6	Mechanical Engineering (67)	197.00	+0.3	11.39	5.89	10.65	196.37	196.62	194.65	193.70	29.0
8	Metals and Metal Forming (111	168.38	-0.2	9.95	7.05	12,76	158.68	164.87	166.15	164.20	701
9	Motors (21)	94.28	+0.3	2.50	7.12	1000	94.02	93.77	96.31	93.57	237.2
O	Other Industrial Materials (18)	379.17	+0,4	9.53	5.58	12.77	377.78	379.79	375.10	376.63	37.7
1	CONSUMER GROUP (201)	307.88	+0.8	12.44	5.48	9.81	305.54	303.90	331.39	325-45	254.3
2	Brewers and Distillers (21)	302.74	+1.2	15.57	6.44	7.75	299.19	295.61	295.03	297.33	325.0
5	Food Manufacturing (22)	275.33	+0.8	15.52	6.58	7.78	273,14	274.69	273.55	273.67	256.8
6	Food Retailing (141	617.45	+10	8.69	.3.26	14.09	611.60	616.25	639.32	6:1.29	-3.
7	Health and Household Products (8)	436.07	+0.5	7.94	3.71	14.64	434.02	429.95	425.83	<b>427.42</b>	335.0
9	Leisere (24)	447.62	+0.5	10.16	5.07	12.30	445.59	447.59	445.85	442.75	455.4
2	Newspapers, Publishing (12)	527.53	+0.3	10,47	5.93	13.00	525.77	\$25.%	525.96	526.00	F.27
3	Packaging and Paper (14)	145.62	+0.4	15.49	7.29	7.53	145.04	144.53	14563	144.18	151.2
4	Stores (45)	282.73	+0.8	10.12	4.77	13.21	280.43	277.69	275.81	274.72	233.9
5	Textiles (23)	176.62	+15	9.27	5.68	14.05	173.95	172.69	171.67	172.78	1720
6	Tobaccos (3)	342,80	+0.3	21.70	8.02	5.19	341.80	321.23	319.79	316.51	255.7
9	Other Consumer (15)	294.26	+0.4	169	5.31		293.17	293.90	253.89	2:4.5	336.1
ΞÌ	OTHER GROUPS (78)4	252.4I 339.69	-0.4	13.49 13.56	6.39	8.92	252.80	252.70	252.55	252.55	2.51
2	Chemicals (26)	114.65	-1.5	14.04	6.95	8.81	335.93 115.39	334.05	354.95	232.54	303.0
4	Office Equipment (4)	565.03	+11	19.11	7.61	8.67 6.22	558.83	119.33	120.21	26.23	124.1
	Shipping and Transport (13)	323.07	+1.1	1175	512	10.34	321.36	555.51	555.22	55.63	526
듸								321.54	321.01	322.5	235.°
9	INDUSTRIAL GROUP (487)	324.75	+0.7	11.55 20.95	512	10.61	322.47	320.77	318.87	1 22 2	
1	Oils (13)	755.70	+0.2		7.70	5.41	755.97	749.72	75à.21	7:_77	782.0
2	500 SHARE INDEX	359.78	+0.5	13.12	5.55	9,14	357 <i>5</i> 4	355.63	359.43	254.53	3. 5
1	FINANCIAL GROUP (117)	2451	+0.1		6.63		248.19	247.51	246.54	257.59	232.0
2	Banks(6)	265.38	-0.8	39.47	8.07	277	267.57	264.25	255.50	267.33	25.50
3 ]	Discount Houses (9)	225.46 267.65	+0.1	]	9.74	- 1	225.33	227.57	225.90	201.78	330.7
5	Insurance (Life) (9)	153.32			6.83		266.85	267.02	265.40	265.00	257.9
<b>;</b>	Insurance (Composite) (101	47L32	-0.5 +0.6	10.91	9.23 5.18	12.50	154.08 488.32	153.93	153.25	152.20	772S
έl	Merchant Banks (3.2)	144.96	-0.8	39.7%	5.76	12.30	146.20	425.74	431.67 146.26	474.00	388.1
3	Property (49)	432.49	+14	5.05	3.53	26.46	436.64	426.27	176.ZS	141.60	159.5
31	Other Financial (15)	168.87	+0.7	18.65	6.75	5.20	157.68	158.24	167.63	433.97 169.60	302.C
H	Investment Trusts (112)	299.40	+0.9		5.39		296.78	296.90	295.63	295.7	
il	Mining Finance (4)	214.73	-0.1	14.63	6.56	8.36	214.99	214.52	277.00	201.67	310.00 201.7
il	Overseas Traders (17)	373.71	-03	13.96	8.51	8.74	374.77	375.29	374.26	374.72	421.2
• 1	ALL-SHARE INDEX (750)	33L07			5.78	<del></del> *+		327.88	326.71		332 7
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7	7   ALLSTRUE MACK (130) -   3220   3221   3210   3221   3210   3221											
	FIXED INTEREST							AVERAGE GROSS REDEMPTION YIELDS	Thers April 29	Wed April 28	Year aga (approx.)	
	PRICE INDICES	Thurs April 29	Day's change %	Wed April 28	sel ael). today	xi adj. 1982 to date	123	,, 2		12.05 12.95	11.78 12.23	
1 2 3 4	Syears 5-15 years Over 15 years Irredeemables	118.64 109.72 112.80 115.74	+0.22 +0.32 +0.37 +0.36	110.40 109.57 112.39 115.33	1.1.1	3.99 4.35 4.93 6.07	4 5 6 7 8 9 10	Medium 5 years. Coopous 15 years. 25 years. High 5 years. Coopous 15 years. 25 years. 25 years.	13.58 13.48 14.07	1291 1623 1625 1635 1646 1646 1646 1646	25 25 25 25 25 25 25 25 25 25 25 25 25 2	
•	All Stories		+0.30	119.38	1	3.84	11 12 13	Delis & Louis S years	15.65 14.92 14.55	25.04 36.95 24.03	14.60 14.60 14.60	
7	Preference	63.84		63.84	1	2.68 -	14	Preference 4	15.44	25:0 1		

† Flat yield, Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A new list of constituents is attaitable from the Publishers. The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by past 28p. Corrected indices for April 28.

# Where Britain has lost out to foreign contractors

By Hazel Duffy

THE NORTH Sea might have he agrees that unless this least temporarily, of the British economy. In investment terms, the petroleum and natural gas sectors have averaged between a third and a half of total UK investment in manufacturing industry over the past few years. While other areas of industry have declined with depressing certainty over the last decade, the North Sea has presented a huge market oppor-

But the discovery of oil and gas in Britain's backyard has not ocen the technology spur for British industry that it might have been. That, at least, is the theme of an interim report\* from a study of the North Sea and British industry being carried out by Mr John Surrey, head of the energy group at the Science Policy Research Unit at Sussex University.

On the hasis of the work done by the team so far, the study concludes that with the partial exception of underwater work. "the key offshore activities and architect-engineering remain dominated by foreign con-tractors." Furthermore, these contractors are not all U.S.based, as might be expected given the preponderance of U.S. oil companies in the North Sea, but "a number of Continental companies have also established various offshore activities." competitive capabilities

Mr John d'Aucona, director general of the Offshore Supplies Office (OSO), the government body directed to ensure that British industry gets a reasonable share of North Sea work, does not disagree with this conclusion. But he thinks that time is still on the side of British industry, "Given the short time that the North Sea would have been different." But

been the showplace for British capability has emerged by the industry as well as the salvation, end of the 1980s, with at least one major British - based contractor joining the U.S.-dominated league of international offshore contractors, it will almost certainly be too

> Government policy towards the North Sea shows that rapid exploitation of North Sea oil and gas has been the prime consideration. Dr Michael Jenkin, in his book on govern-ment intervention in the North Sea industry, says that by late 1973, following the Opec price rises, the acceleration in North development timetables took on a new urgency, "with the result that offsbore supplies policy began to favour rapid oil field exploitation over the ordered development of a domestic offsbore industrial capability.

> Radical recommendations on the course of action that would be necessary to foster apecialist offshore capabilities were contained in a consultants' report (the IMEG report) commissioned by the Heath Government. Instead, a much less powerful body in the form of the OSO was set up in 1973, charged with administering the "full and fair opportunity" policy which required that the oil companies give British industry the chance to compete.

> The policy was essentially a short-term, individual contract approach, which avoided the issues of intervention and infant industry support that would have been necessary if government had set out to establish an internationally competitive industry in the longer term.

In the context of the proporshort time that the North Sea tion of work-load secured by The UK share of exploration, product highly suited to off-ahle elsewhere and also be Francisco in Norway, Gotahas been operating, it would British industry, the OSO's however, has shown no shore installations is Ruston cause the existence of a home verken in Sweden, Ramma be very surprising if the picture brief is being fulfilled. The sustained increase of the 33 per Gas Turbines. Although Britain market is obviously a help to Repola in Finland, and CFEM.



OSO's John d'Ancona (left): works on a prayer; Ruston's Kelvin Bray (right): not a colessal market

rose from 40 per cent in value share of support services, terms in 1974 to 71 per cent although considerably higher, in 1980, and was as high as 79 has shown no significant per cent in 1979. But this increase since 1975. On the contracts, and the growth of large part of this work consists the process plant industry. But the pre-existing capabilities of it is unlikely to be competitive British industry." it is unlikely to be competitive in waters other than the North

UK share of offshore contracts cent obtained in 1974, while the had no prior experience of off- sales. But we still rely for the in France, against strong com-

growing share has been due to basis of the limited data availthe big increase in British cole, Sussex University's John industry's share of development. Survey says he comes to the Surrey says he comes to the development within the total the UK share is "heavily convalue of orders placed. Quite a centrated on fabrication, manufactured equipment, and lessof fabrication, which has pro- specilalised support services, vided a valuable work-load for i.e. activities which were within

n waters other than the North
Sea.

The UK share of exploration, however, has shown no An example of an equipment company which was making a product highly suited to off-shore installations is Ruston

North Sea, Ruston had already established a worldwide reputa-tion with its gas turbines which used for a range of tasks including gas compression and injection, pumping, and the

physically demanding conditions necessitated adaptation of the product which has been valu-

the Sussex report says it would have been odd if some at least of the orders had not been placed in this country. But what of the new technology in "The North Sea has not been specialist activities such as a colossal market for us," says exploration drilling, rig con-Ruston's managing director, Mr struction, platform installation Kelvin Bray. "Nevertheless, it and pipelaying, and support has been useful insofar as the vessels? The report finds that this has largely become the province of certain European yards such as Aker, Trosvik and

countries which do not have the alivantage of the North Sea on their digestape have neverthe-less distributed these industries, banous seem to lie in a mation of a wittingness to invest on the part of the com-panies and the close relation-ship — stimulated sometimes

internationally uncompetitive, according to some critics.

John Surrey says that if government had meant the OSO to be policy, it would not have placed it under the Department of Energy. John d'Ancona admits

The tension leg platform is a highly innovative approach, to recovering oil from the deep waters of the northern North waters of the northern North Madde Industry and the Harth San. Sea which the designers hope Michael Jenkin, Macmittan Press, 120.

in from Japan and South will be effective in deeper water in other par's of the world. There was disappointment, however, that the overail sal-the U.S. contract went to the Americans, and in supeliaring Bechtel, and Brown and Root, which the Brown are and not John Brown Engineers the short spicialist list, and Constructors (previous);

In spite of the strengths of the UK-based oil companies-BP, Shell UK, and BNOC-British governments have not sought to lean upon them to choose British. However, Mr-John Raisman, chairman and chief executive Shell UK, told a forum last year that British industry in the North Sea is

sinp giamulated sometimes by government between customer and supplier, in countries and larger and larger shall be problem of the State oil company which operates similar to the British National Oil Corporation, but additionally has specific responsibilities in connection with procurement policy. The outcome of this careful fostering by government, however, has been the creation of an industry which is internationally uncompetitive, others, however, are less continued.

Others, however, are less conaccording to some critics.

By contrast, British policy has tends to be fairly freely exbeen consigned largely to the changed in the oil husiness
limited powers of the OSO, unlike the tight licensing procedures that exist between chemical companies and contractors, for instance, is the key to British companies winning their way into the North Sea.

It is agreed, however, that it "works on a prayer." It has, British companies must gain the however, proved effective in maximum experience in the many areas. Vickers, for North Sea over the next five years. Only in this way will wery helpful" in guiding the years. Only in this way will company when it was tendering status that they will need to win, orders for other offshore won on the tension leg platform developments around the world.

The tension leg platform \*Offshore Supplies Controller Brush Industrial Achievements in the Burth See and the role of Government policy, Internal paper by John Surrey, University of Susses,

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(National Hydrocarbons Authority)

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NOTICE IS BEREBY CIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on June 1, 1982 at the principal amount thereof \$550,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

Also Debentures of U.S. \$1,000 Each of Prefix "M" Houring the Following Serial Numbers:

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From and after June 1, 1982, interest shall cease to accrue on the Debentures herein designated

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY

April 30, 1982

NOTICE The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI E.N.I.

(National Hydrocarbons Authority)

63/4% Sinking Fund Dehentures due June 1, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Deben-ares of the above described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, as selected by lot for redemption on June 1, 1982 at the principal amount thereof \$715,000 principal mount of said Debentuses, as follows:

nding Debendures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers
Ending in the Following Two Digits: 45 . 58 . 65.

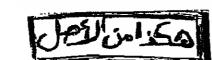
On June 1, 1982, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein, of public and private debts, at the option of the holder, either (a) at the corporate must office of Morgan Couranty Trast Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionaie del Lavoto in Rome or the principal office of Banca Commercials Italiana in Milan or the main offices of Morgan Guaranty Trast Company of New York in London, Brussels, Paris or Frankiunt or the main office of Algumene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Lurembourgeouse Bank Nederland N.V. in Debentures surrendered for redemption should have attached all unmatured coupons appartenant thereto. Compons due Jude I, 1982 should be detached and collected in the usual manner.

From and after June I, 1982 interest shall cease to accuse on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI BY MURGAN GUARANTY TRUST COMPANY

OF NEW YORK, Fiscal Agent

the following Debenture previously called for redsmytion has not yet been presented for payments DEBENTURE OF U.S. \$1500



Bank with imagination

### FINANCIAL TIMES SURVEY

Friday April 30 1982

# NTERNATIONAL OFFSHORE TECHNOLOGY

Economic and political uncertainties are troubling the international offshore oil industry which, in turn, is faced with an over-riding challenge to exploit

its discoveries more efficiently than in the past

### Operators face a daunting task

OFFSHORE OIL operators and their suppliers around the world are finding themselves caught in the backwash of their own success.

Their rapid increase in production in recent years has coincided with an overall drop in energy demand which, in turn, has led to depressed prices. Yet, to justify new offshore projects high prices are needed by the operators. As a result, they are faced with even greater technological challenges than in the past

BY RAY DAFTER

**Energy Editor** 

ducers of offshore oil - Shell

ment project in the North Sea.

world oli price outlook.

Oil companies will have to devise more efficient ways of exploiting smaller, harder-to-find fields in deeper, more hostile waters at a time of stable or even falling oil prices.

It is a daunting prospect and one which will almost certainly dominate the conversation of oilmen as they pack the Off-shore Technology Conference and Exhibition in Houston, Texas, next week. "We are back to where we

were in 1972, when money really mattered," commented a senior executive of a leading offshore oil company. "We have gone through the cycle of the past eight years or so when it appeared that money was no

forecasting prices would con-tinue to rise by around 2 to 3 lowered oil demand. cent annually, in real terms. With so much production capa-city now shnt in—around 15m barrels a day within the 13 members of the Organisation of Petroleum Exporting Countries alone—few are predicting any real price growth at all over the next few years.

Most probably there will be a decline—a view taken by Dr Herman Franssen, bead of the energy economics division within the International Energy Agency, the oil-consuming West's mirror organisation to

By the mid-1980s, he argues, il demand within the developed nations would still be a long way short of consumption levels in 1979 and Opec would still have to curtail some of its

But Dr Franssen sounded a note of caution, one conditioned by the experience of two energy crises in the 1979s: "The time when prices could rise again in real terms is towards the end of the 1980s, when there will have and Exxon — announced last been a number of years of low week that they were shelving prices. The oil market could betheir £800m Tern Field develop-come tight enough so that even a minor interruption in oil supplies could play havoc with the

The reasons given were the costly and technically difficult production methods needed to The new, uncertain climate in exploit the complex reservoir, the international oil market "onerous" offshore oil tax arises from radical changes in supply and demand balances. The hig price increases of the 1970s at least aggravated, and

economic recession which has High energy prices have also

prompted a concerted drive to-wards conservation and fuel-use efficiency. At the same time, new suppliers of oil, many of them operating offshore, have competed for sales.

In 1971, the top ten list of oil producers comprised countries in Opec, North America and the Soviet Union. Last year, the list had a different complexion. The new names were Mexico, China, the UK and Indonesia all countries either beavily involved in offshore oil production or, as in the case of China, with considerable off-shore producing potential.

#### Estimates

Latest industry estimates in-dicate that offshore oil fields account for about a quarter of the world's proven and prob-able oil reserves (around 670bn barrels) and almost one-fifth of total production. On the basis that the most obvious, easiest-to-exploit landward fields were found and exploited first, the relative importance of the offshore industry seems bound to

Offshore production has required the development of an almost entirely new, high tech-nology industry. Precise data is hard to come by, but it seems that investment in offshore exploration and development in non-Communist countries is now object."

world oil price outlook.

The big price increases of the non-Communist countries is now that the expenditure behind Stock brokers Merrill Lynch, have been regarded as far more space programme, even and as if to reinforce the point, two other leading pro
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The big price increases of the non-Communist countries is now that the expenditure behind Stock brokers Merrill Lynch, have been regarded as far more space programme, even programme, even



Neddrill 4, the new large four-legged cantilevered jack-up rig, in Rotterdam after an 11,000-mile dry tow from Osaka. Neddrill 4 is being fitted out prior to operating in the

one-third of the West's oil and \$5,000-\$7,000 (in 1981 money) gas industry's annual investment on exploration and production.

A report published six months ago by the energy economics division of the Chase Manhattan Bank concluded that these figures could rise dramatically. This showed that non-communist investment on petroleum ex-ploration and development could rise to about \$360bn (£203bn)

This would indicate a cumula-tive investment, between 1980 and 1990 of some \$2,000bn and an annual growth rate of 18.4 per cent. Yet whether this growth will

be achieved, particularly in high cost offshore fields, must be doubtful. In the UK sector of the North

Sea, Tern could become the first of a series of fields to be shelved for the time being.

During the past year the contract prices of North Sea crude oil have fallen from \$39.25 to \$31 a barrel. The estimated development and producing costs of some of the deep-water, more

challenging discoveries have risen to over \$20 a barrel.

Mr Bill Thomson, group managing director of the Royal Dutch/Shell Group, pointed out in Work Courants. in West Germany a month ago

for every barrel a day produced at peak levels. (For instance, a 100,000 barrel-a-day field might cost \$500-\$700m to develop). Comparable figures for fields

now being looked at could be \$15,000-\$20,000 per daily harrel.

As a case in point, British Petroleum's important Magnus Field—the most northerly commercial discovery in the North Sea — is costing \$19,000 per daily barrel to exploit, 137 per cent more than the development cost of the company's earlier Forties Field.

Shell believes there are sufficient oil reserves in the UK sec-tor of the North Sea to support the development of some 70 fields over the next two decades. Such a programme could involve the expenditure of £50bn-£60bn at today's buying power by the end of the decade. Oil executives now doubt however whether financial conditions—oil prices of this work.

suppliers and planning wide-spread redundancies in the light of fallig orders—warning signs bave also appeared in other major offshore areas.

#### CONTENTS

Exploration techniques: remarkable progress China: offshore investment could reach \$20bn Subsea systems: Shell-Esso leads the way Rig-building: business is booming Platform development: fresh boost needed Drilling fluids: all set for bright future Safety issues: a question of standards Transportation: a costly and complex business Communication: recent advances highlighted Helicopter fleets: meeting stringent demands

face of worldwide platform UK or Canada; areas like West construction and pipeline opera-tions in recent months. The number of spare drilling rigs, admittedly tiny compared with units in operation, were the highest since April 1980.

highest since April 1980.
Rig operators are now becoming extremely nervous given the slow-down in the growth of drilling activity and the arrival, during 1982 of scores of new units. It is expected that as a result of orders placed with ship builders, there could be a 40 per cent increase in the mobile rig fleet by the end of next year.

next year.

The uncertainties plaguing the offshore supplies industry stem not only from strict econ-omic factors. Politics have also come to the fore.

#### Taxation

In the UK, oil operators who had expected a Conservative Government to be more sympathetic to their cause, are grumbling about the toughened tax regime introduced by a Tory Chancellor.

And in Canada, another of

the world's most promising offthe Atlantic—operators have become disillusioned by poli-tical squabbles between the provinces and the federal government and by Ottawa's national energy policies designed to bring all of the country's natural resources under Canadian control by the end of the decade. Industry estimates that the waters off Newand taxation—will be suffici- foundland and Nova Scotia ently attractive to support all could contain 10bn to 26bn barrels of oil and gas remain Apart from the UK—where unchanged, but the prevailing platform builders and their mood of optimism and exciteunchanged, but the prevailing ment has disappeared.

Significantly, the offshore industry's interest is now concentrated on prospective areas which, in previous years, would

Africa, China, Indonesia, Malaysia and the Gulf of Suez. These are now rated among the hot spots for future explora-

Wherever it ventures, the offshore oil industry will be faced with the over-riding challenge of exploiting their discoveries more efficiently than hitherto.

In this restrect, the North Sea is acting as a test bed for a whole armoury of new producing equipment. Fields are being exploited with:

The world's heaviest concrete platforms.
Some of the largest, most complex steel platforms.

The first tension-legged plat form, a novel concept suitable for water too deep for conven-tional fixed production struc-

 The first major underwater production system; a large remote-controlled unit that remote-controlled could eventually be used in

very deep water.
In the future, operators could well be using moveable production-cum-storage vessels similar to tankers equipped with their own oil-seeking proboscis. Much more production equipment will be placed on the seabed, serviced by a fleet of robot vehicles. (Equipment manufacturers cannot wait for the day when small underwate power packs will do away with the need for inhibiting umbilical power cables).

Before many years have passed, pumps lowered to the bottom of production wells may be assisting in the recovery of vast quantities of difficult-toproduce oil west of the Shet-

land Islands.

It is little wonder that the oil industry describes the offshore sector as being as exciting and challenging as any space programme, even in the current uncertain operating

The harvesting of offshore oil and gas demands a vast range of different skills and technologies. No single enterprise can hope to supply all needs.

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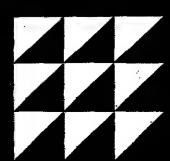
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EXPLORATION and prospectlng on the sea bed poses many problems, and one recently described space travel as less difficult than placing a man on the ocean floor at depths of just a few bundred metres.

That observation, made by John Derringtoo, a director of Sir Robert McAlpine and Sons and vice-president of the Institution of Civil Engineers, at the Oceanology International Conference at Brighton, does not over-state the general problems. However, there bas been im-

portant advances in particular areas of exploration that are helpiog to overcome some of the difficulties, As bas been remarked by

P. Kassler, Shell's Head of Economics and Sector Planning concerned with coordinating exploration and production, very few areas, even offsbore, are totally unknown geologically.

So much scientific surveying and commercial prospecting has already been done that there is usually something in the data bank for an explorer to go on when a geological hunch, a politico-economic lurch, or some other stimulus sparks off bis interest in a particular area.

his meticulous desk studies justify field work there may follow ao on-the-spot hunt for comprehensive information on the structure of the sedimentary layers that may be trapping oil or natural gas. is where seismography,

earth-tremor measurement, geologist's long-cstab-

### Remarkable progress in exploration techniques

to knowledge of our planet's interior, can be used.

Seismographic techniques originated in the scientific investigation of carthquakes. The principles were first applied to oil prospecting on land in the U.S. in 1921. Uodersea application came later. In 1946 seismic surveys were essayed off the shores of

#### Computer systems

The seismic surveyor of scabottoms does not wait for earthquakes, but creates his own earth tremors. He may do this by setting off controlled explosions, of compressed air or other gas, to send waves from a ship through the earth.

These waves are reflected and refracted at the interfaces between different types of sedimentary rock. Thus modified waves find their way to detectors, "geophones," pos-sibly towed by the surveying ship. Data transmitted to the ship is recorded for subsequent processing.

Seismic data processing is the vital follow-on, and informa-tion theory and the ublquitous computer bave a growing share in the important business of tracking down bydrocarbon deposits.

Dr Jack Birks who, at the end of last March retired as managing director of BP Petroleum has praised the geophysical iodustry for its data gathering and computing

In his keynote speech at the

Oceanology International Conference. Dr Birks said that worthwhile reserves would be found offshore only by intensive search for the remaining geological traps, and the successful exploitation of those traps demanded more precise and detailed geophysical analysis and sub-surface mapping. "The geo-physical industry continues to

He had some remarkable progress to report. He said that the response to each detonation of a surveying sbip's air-gun was nowadays recorded on 96 or more data channels, which was four times the number of only five years ago. There was also a corresponding expansion in

respond to this challenge,"

The geological structures whose secrets the seismologist tries to shake out can be very complicated. Until recently. getting a three-dimensional rather than a plane-sectional image of the structure involved not merely the shooting of complex and carefully controlled "grid" surveys but also the exercise of the human interpreter's imagina-

The only three-dimensional image of the geological struc-ture that existed was the one in that interpreter's mind. However, in the past few years the necessary data processing and display techniques have been developed for presenting seismic survey data in three dimensions.

the quantity of data acquired Such three-dimensional surveys from each "shot." Such three-dimensional surveys were being used more every year, said Dr Birks, and they covered substantial areas. He added: "By this means we can study the detailed geology of increasingly smaller segments

of undersea area."

However, explosions of data can confuse rather than Illuminate-and to say "explosions" is not in indulge in hyperbole. As Dr Birks pointed out, one of today's small offshore three-dimensional surveys may produce a set of data comprising more than 2bn numbers. To benefit fully from what could otherwise become an embarrassment of riches the geophysicists need new techniques of data reduc-

There is little doubt that they will emerge. In Dr Birks' own resources are now being de-voted to the development of interpretative which can extract useful information from these data

The ultimate instrument for displaying and interpreting seismic data would be a holographic one. That is the view of, among other experts, Daniel H. Sullivan, who runs

a geophysical data proces-sing firm in Houston, Texas, As recently as last February reviewing the state of the art in the journal Sea Technology, he reported that efforts at seismic holography had failed-so far. "But the potential is so great that it is only a matter of time before the necessary technology is developed."

Dozens of foreign companies are involved in bidding for exploration rights in China's offshore waters

### China's offshore developments could cost \$20bn

the nineleenth century with parts for Taiwan was presented graceful tea-clipper ships and to Congress, American oil comcut-throat pirates, China's off- panies would have been reluctshore waters today are the last ant to go ahead with 30-year great frontier—and the biggest agreements involving huge in-continental shelf anywhere—on vestment. The threat remains, the brink of an oil-rush. Dozens foreign oil companies, about half of them American, have so far participated in bidding for blocks for exploration in the coming years.

Peking is exploring independently in one of the most promising areas, the East China Sea, but the rest will be developed through joint ventures with foreign operators. The nuts and bolts of bids and contracts will be hammered out over the next few months.

Conditions in China may be quirky compared to elsewhere (strange rumours have reached the west of live pigs aboard the oil rigs destined for the cooking pot), but the same commercial considerations motivate the Western businessmen in-

A dangerous corner in the growth of business confidence was turned safely in mid-April when the Chinese did not, as they had seemed to threaten, their ambassador from Washington.

If diplomatic relations had 'retrogressed," as the Chinese phrase it, when the resolution reserves).

but the possibility of a significant rupture has dwindled.

China badly needs the oil that offshore development could hring. Onshore production, down from a peak of 106m tonnes in 1979 is at a plateau of about 100m tonnes annually (rather more than Britain's). This may sink further as older fields run out and scrappy investment onshore delays the startup of new fields.

#### Reserves

As China soldiers on towards modernisation, energy coosumption is bound to take off. Oil sbortages, the World Bank report on China predicted last year, could lead Peking to becoming a net oil importer by the 1990s, with the crippling foreign exchange outlay that

A Cbase Manhattan expert, Jobn Emerson, recently put Chinese reserves at about 39bn barrels onshore and the same offsbore (Chinese figures are much higher but may include less definitive categories of Companies

basin and in waters off Hainan Island are cautiously optimistic on the prospects, although they are closely guarding their data. But all agree that no one knows

unlil the oil slarts flowing. Total investment to develop offshore fields is likely to be \$20bn, Mr William Lear, vicepresident of First National Bank of Chicago, said recently -a figure supported by experience in the North Sea. China's foreign partners will be shelling out most of this,

Oil is already on stream offshore from wells sunk in the Beihal Gulf off North China, where the Japan-China Oil Development Co. and the French Elf-Aquitaine began drilling several years ago. Total-Chine, drilling since 1980, has struck oil in the Belbu (Tonkin) Gulf. Atlantic Richfield (Arco) bopes to open drilling in a nearby block in the autumn, though details of the contract agreed in the main last summer remain to be settled.

Arco shot ahead of many other western majors when a company team visited China in the early Seventies. The rest have walted in the wings for the formation of a whole new Chinese mecbanism to handle

operated the 1979-81 seismicjoins ventures and the offsbore surveys in the South Yellow industry, which in turn awaited Sea, the Pearl River Mouth the results of the westernindustry, which in turn awaited operated seismic surveys completed last year.

This new mechanism took off at the end of last year with the promulgation of China's new tax law for foreign companies. It followed through swiftly in February with new regulations for foreign participation in the offshore industry on the 10th, the formation of the Cbina National Offsbore Oil Corporation (CNOOC) to control the new industry on the 14th, and the first call for bids on the

CNOOC is bandling the bidding process in two stages, first with a call for registration of interest, then a call for bids proper. Bidders are being asked to send representatives to Peking to obtain sample contracts and other documents.

CNOOC Is taking the areas

up for blds in two stages. In the first round it offered the northern part of the south Yellow Sea plus a third of the surveyed areas in the Pearl River Mouth basin, in the second the southern South Yellow Sea, the southern part of the Boha Gulf and waters off Halnan. In all, 43 bidding blocks over 150,000 square kilometres have been put up for

Sino-Britisb Council expects the future time-table 10 look something like

End June 82 submission of bids. End Sept/Oct 82 concession awards.

End March 83 completion of additional seismic work (for drilling programmes ete). August 83 drilling begins.

#### **Pitfalls**

This presupposes that negotia-tions on the contracts go smoothly, but there are pitfalls ahead. China's approach to the offsbore industry is more tightfisted than that of other governments. The earlier contracts with the Japanese and the French stipnlated development costs to he shared (51 per cent China and 49 per cent to the foreign partner) but the Chinese claimed they had already put in their share as they had done the seismic work and were supplying rigs and

equipment. The regulations announced in February maintain the same principle, chiefly allotting the expense and risk to the foreigner and the control of exploration, development, production and marketing to the CNOOC. They also offer other unwelcome food for thought, requiring foreign operators to give preference to

Trade Chinese personnel, design work, equipment, materials and ser-

> While this is subject to com-petitiveness, U.S. companies fear that it may land them in a minefield of bureaucratic hassle and delay. They are sceptical, the Washington-based China Business Review said in its March-April issue, that the Chinese can meet delivery commitments.

Furthermore, "the prospect of leasing a (Chinese) rig, even a modern imported rig, is less than enticing to exploration companies." Chinese crews are inexperienced and Chinese shore services, though now burgeoning, are still minimal.

The February regulations do not mention the carve-up of oil. This will presumably appear in the sample contracts. For the record, in the three earlier agreements, the first 15 per cent went to costs, the next 42.5 per cent to China, and the last 42.5 per cent was split between the foreign partner and sale on the world market.

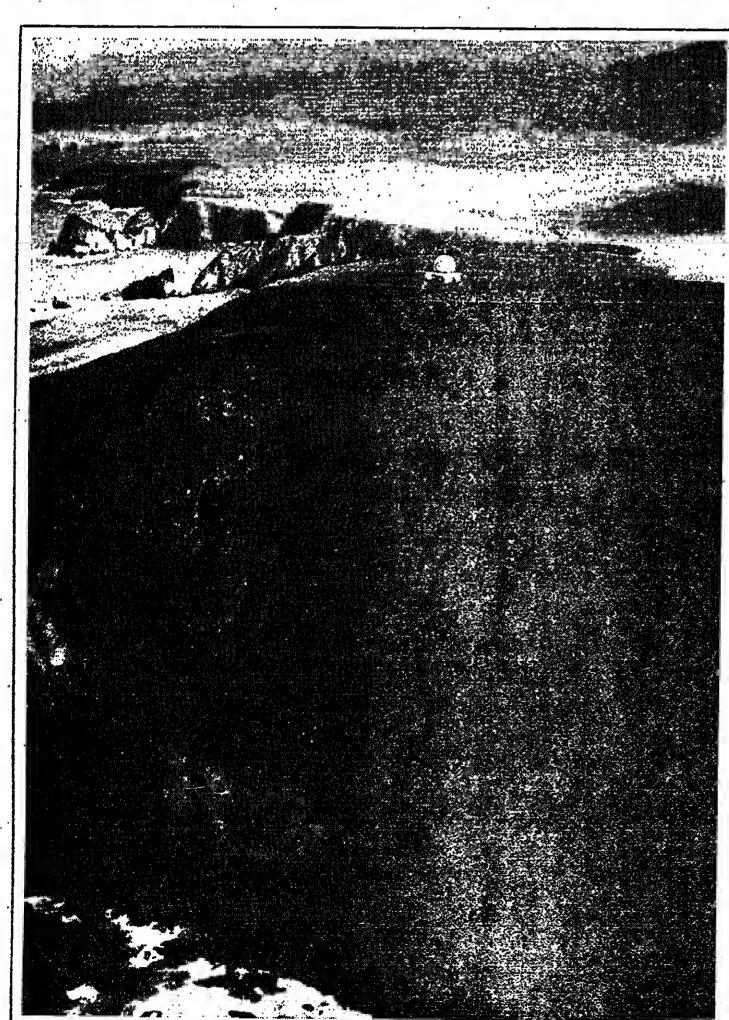
As Mr Emmett Humble, president of Esso Exploration, told the Financial Times last month, there are still many uncertainties and much depends on the terms of the final contract. MOBIL SOUTH CHINA SEA 3 Offshare of fields

could bring. Production onshore is down from a peak of 106m tonnes in 1979 to a plateau of around 100m tonnes a year. This output may sink further as onshore fields are exhausted !

China badly needs the oil that offshore development



Colin MacDougall Key: JCODC, Japan and China Oil Development Co: SNEA, Società Nationale Ell-Aquirano; CPF, Compagnie des Patroles Français.



### New electronic bird watcher scans North Sea air traffic.

Who would expect air traffic to be much of a problem anywhere near this lonely headland in the Shetland Islands, far to the north of Scotland?

The reason is simple. Oil. The Shetlands, once better known for sweaters and sheep, dogs, are just a hop by helicopter from North Sea oil fields. It's not surprising, then, to find a sophisticated radar system in use keeping busy whirlybird air traffic safely under control.

Inside the cocoon-like shelter shown in the photo (left) is the antenna of such a system, designed and built by Cossor Electronics Limited for the U. K. Civil Aviation Authority. At the airport nearby, controllers use Cossor displays to

monitor approaching and departing air traffic. This is just one of hundreds of similar radar systems that Cossor, a Raytheon company, has

supplied for use at airports around the worldand just one part of Raytheon's widespread involvement in air traffic control.

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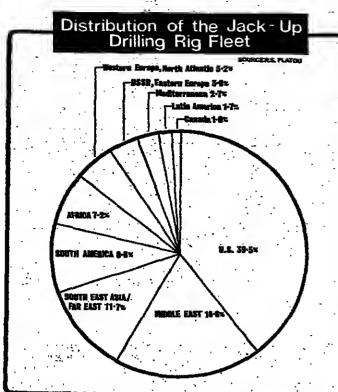
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# nniques

### INTERNATIONAL OFFSHORE TECHNOLOGY III

Subsea production systems have played a key role in the development of marginal oil fields



The international jack-up drilling rig fleet enjoyed 100 per cent employment last year, apart from March and December when percentages were 99.6 and 99.7 respectively

The rig building sector

### Business is booming

late 1970s hull and is now booming. However, some experts feet that the market could be too successful for its own good. The question is wbether there will be enough work for all the rigs now under construction.

Since the present orders were placed, oil prices have begun to come down sharply. Where they will go over the next few years is anyone's guess — although they are not widely expected to notch up the steady increases that consumers have become used to since the 1973

To build a fully equipped semi-submersible rig able to work in the harsh conditions of the North Sea costs more than \$100m, compared with \$40m, or so in 1974. The price has shot city. up sharply since the late 1970s,

At the start of this year, there were 52 semi-submersibles on was 120, the expansion over the next two years will be startling. The same will be true of jackups, where the order book totalled 146 and the actual fleet was 305.

The figures were compiled by R. S. Platou, a leading firm of Norwegian shipbrokers, in its weighty annual review of the world's shipping and offshore scene. It asked poignantly "whether offshore exploratory activity will increase sufficiently to absorb this growth in the rig

the present semi-submer-If sible fleet and the extra rigs due to enter the market this and next are to be fully employed, demand for them will bave to rise by more than 19 per cent

on the market to ease and rig owners are now finding it harder to obtain long-term con-

Rates easing

Daily chartering rates for semis exceeded \$80,000 throughout 1981 after coming up sharply during 1980. At the start of 1980 they were below \$40,000. According to Platou, rates for new 300-ft cantilever jack-ups of in the U.S. Gulf. Asian yards the conventional type, were are also heavily engaged on the between \$45,000 and \$50,000 a jack-up side, with Singapore a day; those built to withstand strong force. In Europe, France tough North Sea conditions is the main jack-up builder. the conventional type, were between \$45,000 and \$50,000 a day; those built to withstand tough North Sea conditions

fetched up to \$65,000.
Demand was high enough last year to keep all rigs in use and maintain rates at a high level. Oil companies had to accept contracts lasting for up to five years in order to obtain rigs for their short-term needs. But near the end of the year, the market was beginning to wear Contractual terms had fallen back to two years and rates were easing. For a large number of the rigs on order, no contracts have been signed.

For the expensive semis, by far the most important market is Western Europe and the North Atlantic, which provides employment for more than 35 per cent of the fleet.

Second comes the U.S., accounting for 15 per cent, followed by South America. Asia, the Mediterranean and

THE OFFSHORE rig building Africa. Canada, China and business has broken out of its Australia are all thought to have large offshore oil and gas reserves and could prove to major markets in future.

> On the jack-up side, the U.S. ranks first in importance, employing nearly 40 per cent of the fleet. Almost 19 per cent is in use in the Middle East, other significant areas again being Asia, South America and Africa. While daily rates were at top levels last year, some orders were already cancelled in the final quarter as the market felt the new order book looked too indigestible.

Platou reckoned that demand for jack-ups would have to go np at an annual rate of nearly 35 per cent over the next 18 months to use up all the capa

"If the oil companies fail to as it has for jack-up rigs, now step up the treat the costing somewhere near \$50m activity to ensure that the costing somewhere near \$50m up to demand for jack-ups would rise at the above rate, the result would be a surplus on the market in the course of 1982 order around the world. As the with a corresponding drop in total fleet at the end of last year rates," according to the shipbrokers

#### Weaker market

Not surprisingly, therefore, Platon concluded that the rig market would weaken slightly during the next few years.

For the expanding fleet to be fully used, exploration will need to be stepped up. But with oil prices likely to ease in real terms after taking account of inflation, such a boost in activity does not seem to be on the cards.

None of this will come as particularly welcome news to the world'a rig builders, many of which have switched over to varying extents from the depressed shipbuilding business, a year, Platou said.

Because of the increase in rig supply, bowever, oil companies appear to be expecting pressure and South Korean concerns have moved heavily into off-

shore work. Some way behind Far Eastern tracts, even at unchanged rates. builders of semi-submersibles come European yards, with British Shipbuilders now eager to win more orders after letting the market get away from it in previous years.

The U.S. leads in the con-struction of jack-up rigs, with most of the building carried out

For all rig constructors, the safety element has become of prime importance in the light of major disasters. Earlier this year, British

Shipbuilders announced a new £30m semi-submersible design with which it hopes to jump with which it hopes to jump right into the advanced end of the market. The new BS 8000 DP design is said to meet all the latest safety regulations drawn up by various countries and can be used in such hazardous oceans as the Atlantic off Canada's eastern coast and the North Sea.

Along with other rig builders BS has an eye on the demand which the expansion of drilling in the more northern latitudes of the sea off Norway should

Andrew Fisher

#### TOTAL OIL RIG FLEET

• • •	1978	1979	1980	1981	Dec 198
Semi-submersible rigs	116	111	116	120	52
Jack-up rigs	168	196	. 223	305	146
Drillships/deepwater barges	60	56	52	53	4
Total	344	363	391	478	202
Source: R. S. Platon.					<u> </u>

### Shell-Esso leads the way with new system

deep water, the Shell-Esso group's Underwater Manifold

the most advanced subsea pro-duction system yet built. It can perform production and water injection functions from nine wells on remote control comwells on remote control com-mands sent from the Comorant "A" platform. The subsea com-pletions themselves are sophisticated units with through flowline (TFL) servicing, which enables tools, to be pumped to the wells through pipelines, rather than lowered by wireline from a semi-

Maintenance and inspection will be performed by an un-manned manipulator, lowered from a support vessel to a rack railway on the UMC, avoiding the need for divers.

Although the Central Cor-morant UMC will be installed in just 490 ft of water, it is built to operate in water depths of up to 2,000 ft. Without major

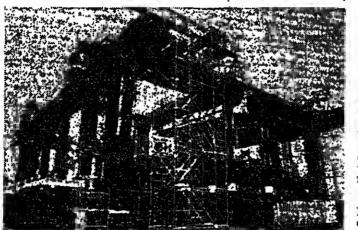
IF SUBSEA completions have shallow water, which are too opened the door to the develop-ment of marginal oil fields in ventional platforms.

A decade ago engineers group's Underwater Manifold would have dismissed the col-Centre may have wrenched it lection of technologies that right out of its frame. comprise the UMC as pure The UMC, to be installed Heath Robinson. Even today, next month on the UK North other oil companies are hardly Sea Central Cormorant field, is falling over themselves to order such elaborate substea systems. Many operators are in fact re-turning to simpler designs if they are capable of doing the job in hand.

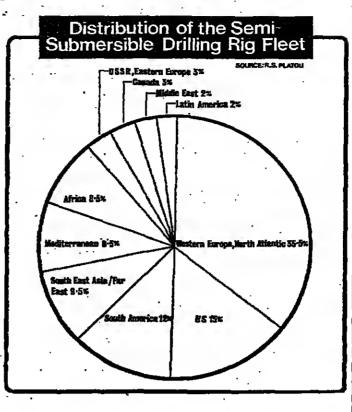
If an oil company decides to use subsea completions, its main alternatives are between wet or dry (one atmosphere) Christmas trees; TFL or wireline servicing; and diversasisted or remote installation. The oil industry in general aboves the industry in geoeral chooses the wet, wireline-serviced trees that are installed with the aid of wireline from a semi-

#### **Profitable**

Simple subsea systems, such as the one plooeered by Hamilton Brothers on its small Argyll field in the UK North Sea, have proved effective and profitable. Commissioned in 1975, Argyll uses satellite subup to 2,000 ft. Without major sea completions that produce design changes it could function via a rudimentary manifold to a at a depth of 4,000 ft. Shell floating production facility, believes the UMC could also be Versions of the Argyll system used for fields in relatively have been used around the



The 2,200-tonne structure of the Underwater Manifold Centre for the Central Cormorant Field:



world to develop fields in moderate water depths. In deeper waters, oil com-panies have "souped up" their subsea systems, but not to any great extent. The Enchova field, in 625 ft of water off Brazil, bas

been produced with simple wire-line-serviced, diver-assisted Similar equipment is now being installed on Sheil Tunirex's Tazerka field, in up to 800 ft of water off Tunisia—the deepest field yet being developed with subsea techniques. This field uses a single anchor leg system (SALS) to transfer oil to a tanker, which provides pro-

cess and storage facilities. Tazerka's record will be broken later this year when sub-sea completions are installed in up to 900 ft of water on Petro-bras' Corvina field, in the Campos Basin off Brazil. Again, the completions will be wet, wireline-serviced trees requir-ing some diver assistance.

Those in the subsea business believe that the more sophisti-cated concepts, such as TFL and one-atmosphere completions, will find greater use as development projects move into water 1,000 ft deep and beyond.

Although most companies

have some experience with TFL completions, it has not all been good. Many TFL trees have been dogged with operational problems leading to lengthy

periods of downtime. But it is no coincidence that the company which has invested most cash in TFL research and development, Shell, has achieved the best results. BP is another company that is starting to invest heavily in TFL tech-

In parallel with development of subsea techniques, the oil industry has been working on a range of floating production systems to provide processing and storage facilities for the subsea well streams. Until now it has used either semi-submers ibles or tankers, most of them specially converted from their conventional roles.

At the end of last year, there were 14 reservoirs worldwide being exploited with field-wide subsea systems. Eight were being produced via a semisubmersible and six via a tanker. In waters over about 1,000 ft, these systems may be superseded by tension leg platforms, articulated towers and dynamically positioned vessels.

Certainly, the industry is not yet ready to contemplate isolated subsea production systems without some variety of support installation above

the waterline. As one oil company executive said: "We

like to keep some real estate in the air." Jim Joseph

# Technology

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Declining North Sea activity slows improvements in design. Martin Dickson explains

### Platform development needs a boost

exciting era of change.

goes into ever deeper and more its Alwyn oil and gas find. hostile waters, the fixed production platforms which have reflects a worldwide trend, as water, the greatest depth for always dominated the offshore a construction boom in 1980-81 a North Sea platform. industry are giving way to a new generation of floating platforms Marril Lynch's Monthly Petro- are unlikely to be beaten, for in and seabed structures of widely differing designs.

The testing ground for many of these revolutionary new ideas last December. This was still is the North Sea. However, a slightly above the 224 recorded is the North Sea. However, a substantial slowdown in the pace in the same month of 1980, but of North Sea development means that the move from in June last year. designing board to commercial Furthermore, only 400 plat- vestment decision was made in operation could he slower than forms were in the design or 1978 this option was considered

Falling real oil prices plus the UK Government's tax policies have made several oil companies bave second thoughts about pressing ahead with new North Sea fields.

The result is a dearth of orders for new nlatforms — both conventional fixed ones and new floating varieties. In recent weeks UK companies building either the "jacket" (substructure) of North Sea platforms or the modular equipment which sita on top have issued statutory precautionary 90-day redundancy notices to more than 2,000

The offshore construction industry has worned that many more of its 25,000 workforce could lose their jobs unless orders for platforms and related equipment are placed by the end

Hopes of new orders in the near future are pinned largely ordering platforms shortly for its £1hn Morecambe gas field in guy-lines, which allow it to move the Irish Sea: The British slightly in response to wind and National Oil Corporation, which water. is drawing up plans for the

starts tailing off. According to loum Review the number of fields of auch depth the trend is platforms under construction now towards floating production around the world stood at 230 systems. down from a high of 286 reached

analysts were expecting a year planning stage last December, more expensive. compared to 521 at the same point in 1980.

Amid the development of floating production systems, the technology behind the fixed steel platforms which dominate the offshore industry has been progressing also.

#### Deeper waters

Design changes have permifted their use in ever deeper waters. Last year Union Oil installed the 26,000 tonne steel jacket for its Cerveza field, io the Gulf of Mexico, in 935 ft of water - the tallest platform installed in one niece. The tallest fixed platform ever built is in Shell's Cognac field, also in the Gulf of Mexico, which was installed in three pieces and atands in 1,026 feet.

A further innovation in the Gulf of Mexico is the "guyed tower" being developed for Exxon's Lena field. Standing in on three groups: British Gas, 1.000 feet of water, this will be which is expected to hegin a slender steel structure which is given stability by radiating guy-lines, which allow it to move

In the North Sea, an historical hull section.

Offshore:

Snamprogetti is there.

THE TECHNOLOGY of the development of its Clyde oil landmark was reached last world's offshore oil and gas field; Marathon, which is planmonth when British Petroleum platforms is going through an ning a second platform for installed the jacket for its Magnations are storing to the platform of the platf Brae; and Total/Elf, which is nus field. The 40,000 tonne As the hunt for hydrocarbons considering the development of monster is the largest steel ts Alwyn oil and gas find. structure installed in the North 485 ft of water, with the field The position in the North Sea. It stands in 600 feet of being used as a testing ground.

The records set by Magnus

Magnus but at the time the in-

BP's tethered buoyant platform, which has yet to get off the drawing boards, is similar to the so-called tension leg platform (TLP) being developed by Conoco for use in the North Sea's Hutton field.

The structure floats on the surface and is tethered in posi-tion above the oilfield hy a series of tensed steel cahles, running from seahed templates to the four corners of the plat-

The advantages of floating production systems generally are that they can be used in very deep waters whereas fixed platforms are limited to ahout 1,000 ft of water, and that they can be moved from field to field, making the economics of smaller offshore oil accumulations more attractive.

A specific advantage claimed for the TLP over rival floating systems is that the tension legs largely suppress heavy pitch and

The Hutton platform is heing built in Scotland, with McDermott's Ardersier yard making the deck and the Nigg Bay yard Highlands Fahricators the

Offshore OTC

capable of operating in water depths of up to 2,000 ft. However, for its commercial applica-tion in Hutton it will only be in

#### Swops

BP, meanwhile, is pressing ahead with the development of a floating production system resembling an oil tanker. Called Indeed, BP did consider using a floating system — the so-called Tethered Bouyant Platform — for the development of capabilities of large reservoirs. Shaped like a ship, the Swops

vessel would have a retractable riser pipe—a proboscis-like tube—which would he connected to an oil field well head located on the seabed. Oil would pass up the riser

to the vessel, where it would be processed and stored. Associated natural gas, stripped from the oil, would be used to power the ship's operating system.

full the riser would he with-drawn and the Swops would sail to the nearest oil port to discharge.

BP recently awarded a design contract for the vessel to a British Shipbuilders subsidiary, VO Offshore of Barrow-in-Furness, Cumbria. The work, involving the design of the ship and its main propulsion machinery, is expected to be completed late this year.

Alongside the development of floating systems, the oil industry is also directing much research into so-called "subsea completions" — locating well control mechanisms directly on the seabed, controlled electronically from the surface.

The most dramatic of these innovations — discussed more fully in another article in this survey—is Shell-Easo's Underwater Manifold Centre, due to be installed in the North Sea Cormorant field,

When the Shell system was

technical director for UK exploration and production, to declare: "The deep sea, just as much as deep space, is an environment where man is alien and where his technology will be stretched to the maximum." The sentiment applies to all offshore production systems, be they on the seabed, fixed platforms or

#### New tension-leg platform

floating on the waves,

Conoco's new type of North Sea drilling platform (right) does not rest on the sea bed but is tethered and semisubmerged using a "tension-leg" concept which may be used for oil production at depths down to 2,000 ft

Bright outlook for chemicals used in drilling

### Mud is big business

manufacturers of "mud," the chemicals used during the drillmg of a well.

The international mud market is estimated to bave grown by more than 20 per cent a year in value terms for the last six years and is now worth \$3bn to \$4bn a year. The downturn in the oil market will take some of the glitter off this record, hot the medium-term outlook remains bright.

having to drill ever deeper into the earth's surface to find hydrocarbons and that means a

of the drill bit. It returns to the surface again in the gap between the side of the well and the drillstring (the piping which turns the bit).
It has several key functions. First, it lubricates and cools the bit. Second, it flushes out the

chippings of rock which result from drilling and it brings them to the surface. There the chipmud can be used again. getting information about the

give the first clue that oil and gas bas been struck. Thirdly, the mud lines the 10,000 to 15,000 feet around

MUD MAY not sound big busi- wall of the drilled hole, preness hut the big expansion in venting it from caving in.
oil and gas drilling activities Finally, the weight of the mud worldwide over the past few halances the pressure of the years has spelt boom times for formation encountered during drilling. Mnd control is a highly skilled art.

Among the large companies dominating the market are: Magcobar, a division of Dresser Industries; Bariod, part of NL Industries; IMCO, a division of Halliburton, and Milchem, part of Baker International.

#### Joint ventures

These companies together The oil and gas industry is represent about 75 per cent of aving to drill ever deeper into the earth's surface to find ventures mean they probably hydrocarbons and that means a have a share in 90 per cent much greater use of mud per of the market. Nevertheless, there are a substantial number Mud is pumped down a well of small, independent suppliers, through and around the edges In the UK these include companies such as International Drilling Fluids, a subsidiary of English China Clays, and BW Mud. part of the KCA Inter-national group.

The biggest single market for mud is the U.S., which accounts for about 65 per cent of world sales, a substantial rise on the 52 per cent recorded in 1975. U.S. sales bave been growing

geology heing penetrated and as a well increases in depth. hydrocarbons in the mud can From 5,000-7,500 ft mnd costs around \$4 a foot, from 7,500 to 10,000 some \$10 a foot and from

is usually classified as a deep well-mud costs rise to \$45 a foot or more.

The trend is towards deeper drilling, particularly in the U.S. for natural gas after the Government's decontrol of gas below 15,000 feet in 1979.

Deep wells are estimated to need 20 times more mud than the average well. They use greatly increased quantities of all types of mud ingredients but particularly barite a key constituent of the fluid, Barite accounts for about 40 per cent of the value of all the ingredients used to make up mud in the U.S.

While muds have traditionally heen water-based, there has been a substantial increase in recent years in the use of oil-based fluids in deep wells where the temperature at the bottom is particularly high.

Oll-based muds have two drawbacks: they are consider-ably more expensive than waterbased ones and they can also pose eovironmental problems, which means they cannot be discharged on land or directly into the sea after use. Remote disposal again adds to the costs.

The move towards oil-based muds is one example of the way a in which deeper and deepe whole because of a tremendous wells will tax the research and The chippings are useful for upsurge in U.S. drilling activity. development facilities of the setting information about the Mud costs rise exponentially supplying companies and place new demands on the quality of the on-site support they pro-vide to drilling operations.

Martin Dickson

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WY WORMALD INTERNATIONAL GROUP

### Bringing commercial and safety needs closer

IN THE first 17 years of distant day when offshore oil changes are being proposed Britain's offshore oil industry, a production is a mature industry both in the equipment and in series of disasters and —or unless it auffers a disaster, procedure. At the Wolfson spectacular rescues has grimly greater than any it has yet Microelectronics Institute in demonstrated that North Sea oil's price is measured in human lives as well as dollars.

But it is only now, as the industry moves more slowly into the harsher North Sea regions, that the question of safety is beginning to overshadow the novelty of the oil bonanza in the

public mind.

A similar change of mood appears to be taking place within the industry itself, judging by some of the remarks made at a recent national con-ference on UK offshore safety. Dr Matt Linning, a former managing director of BP Petroleum Developments and

one time head of its North Sea operations, complained that the conference sponsored by the UK Offshare Operators' Association was the first of its kind and that the industry had taken 17 years to come together to discuss

safety.

While all speakers at the conference agreed that complacency was the prime enemy of safety, there were disagreements about the degree to which standards should be enforced by tighter legislation. Union representatives, in particular, stressed the need for a greater Government role. Other speakers complained that, in some ways, UK safety standards appeared less

stringent than those of Norway,
There is indeed a steadily
growing wake of UK legislation
about operating procedures.
But, so far, the speed with which the industry has developed has made it difficult for legislation to keep up with changing tecb-

Instead, oil companies prefer Department This means the ability. companies set their own standards of safety, which are controve to official approval. The Government, too, is happy

with this formula which is importance of safety. likely to continue until the

greater than any it bas yet experienced.

Two of the more serious recent disasters were outside British waters—the death of 123 men when the Alexander L. Keilland, a Norwegian accommodation platform, capsised two years ago, and the capsize in January of the Ocean Ranger rig, off Newfoundland, with the

death of 84 men. In the British North Sea, 13 men died in a helicopter crasb last year; and two divers died, two years ago, in a stricken div-ing bell in the Thistle field.

#### **Parallels**

As Dr Limming made clear at the UKOOA conference, not everyone camplacently agrees that the oil industry has had a remarkable good record. In a recent book, Mr Kit Carson, senior law lecturer at Edinburgh University, said there were "extraordinary parallels" between safety efforts in the North Sea and the earlier efforts to impose statutory control upon the operations of the dark satanic mills of the 19th century."

In the rush to bring gas and oil ashore, he claimed, safety bad become "a rather poor second," he says,"

He is strongly against leaving safety to the oil operators and Energy Department. Instead, he wants it to be transferred to the Health and Safety Executive of the Department of Employment.

In the meantime, the charge that too many lives are being sacrificed for oil encounters the argument that safety is a system of self regulation in observed hecause it is essential agreement with the Energy for the oil companies' profit-

When one turns from this controversy to enumerate some open for inspection and subject of the developments in technology and practice, one is impressed by the overwhelming

Edinburgh, work has begun on a new device to unscramble the "Donald Duck" type voices of divers when they breath belium

Intense cold is another menace to divers especially if they are waiting to be freed from a crippled bell. Propage heaters already exist.

but are unsuitable at extreme depths. American Navy scientists are working on a hydrogen-fuelled heater, providing two kilowatts of heat for np to 6 hours, at depths of 450 ft. The heat is provided in a small tank and pumped through the diver's suit. Another change in practice

which, it is claimed could lessen the risk for divers, would force operators of support ships to carry only pre-mixed cylinders of hellum and oxygen. This follows claims that some North Sea divers have died as a result of accidentally being given pure belium, instead of the right helium-oxygen mixture.

The oil industry is also iotensifying research into the manyenvironments which offshore structures bave to withstand. In the U.S. some 15 inter-

national oil companies are helping to finance a \$1. : esearch programme by the Battelle Institute at Columbus, Ohio, into bow satellites can monitor the behaviour of the oceans. Figures from the U.S. Govern-

ment in the mid-1970s suggest that remote satellite sensing systems could bave saved oil producers millions of dollars in drilling operations in the Gulf of Alaska alone. This is another graphic example of where safety interests coincide with commercial areas.

"The Other Price of Britain's Oil" by W. G. Carson, published by Martin Robertson,

Maurice Samuelson

#### ENERGY INKORMATION The Financial Times series of newsletters on energy topics combines the accuracy and authority of the Financial Times with the exclusivity, depth-of-detail and conciseness of a specialist newsletter. European Eoergy Report I twice monthly) covers European energy policy, technology, contracts, personalities and events plus data on production, pricing and trading. North Sea Letter (weekly) momeors and analyses exploration and production, oilfield ecommies, rig and service vessel markets, contracts, technology, housee, government policy and onshore European Energy Profiles (twice monthly) analyses the current energy picture of each of the 19 West European countries in turn with an annual review of Western Furnpe as a whole making up the 20th issue. Energy Economist (monthly) provides a regular oversion of world energy developments, with the emphasis on analysis, prediction and trend identification. International Coal Report (Iwice monthly) provides updates on candiging markets, government policies, investment plans, distribution, technology, costs, contracts and trends in consumption and production. World Solar Markets (monthly) reports and analyses developments in the world renewable energy industry pin-pointing business and investment opportunities. World Petrochemicals (twice monthly) reports and analyses the latest developments in the international petrochemical industry. Coverage includes production and consumption trends, prices, policy, companies, distribution and technology. To receive a sample copy of any of these newsletters, plus details of subscription rates, please tick the appropriate box(es) and return the coupon to the address below. To: The Marketing Department, FT Business Information Lat. Bracken House, 10 Cannon Street, LONDON EC4P 4BY Nature of Business

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industry - a capability gained in the harsh environment of the North Sea and thus applicable to other areas throughout the world. The UK Offshore Supplies Office will put you in touch with the UK companies which can be of specific use to you. We look forward to welcoming you on Booth 3351/1 at this year's Offshore Tech-

nology Conference in Houston on 3-6 May.

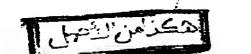
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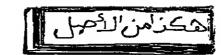
General in Houston, who will be delighted to

discuss wider aspects of UK-US commercial and industrial opportunities.

If you are unable to attend OTC but would like to talk to us, please contact the UK Offshore Supplies Office, Alhambra House, 45 Waterloo Street, Glasgow G2 6AS, Telephone Glasgow (041) 221 8777 Telex 779379.







### INTERNATIONAL OFFSHORE TECHNOLOGY

### New ways of moving oil from sea to shore

TO MOVE oll from sea to share is a complicated and costly business. The ambitious new Louislana Offsbore Oil Port (LOOP) cost around for submarine gas tankers pot forward last year by General Dynamics of the U.S. would run away with many hillions of dollars if ever implemented.

LOOP began operating late in 1981, but will not really be running at full stretch until around the middle of this year. Located about 19 miles off the Louislana coast, it is the first port in the U.S. which can discharge folly laden VLCCs and ULCCs (very large and ultra large

crude carriers). Eventually, LOOP will link np with about 30 per cent of U.S. refining capacity. Its first ahipment of 1.5m harrels of light Arabian crude came from the 270,000 deadweight ton Texaco Caribbean which had loaded the oil at a similar kind of facility in the Gulf.

Around 330 tankers are expected to call at LOOP in its first full year from mid-

The advantage of facilities like LOOP is that they cut out much of the awkward transhipment to smaller shlps able to negotiate inland and

coastal waters. As well as its 19 miles of offshore pipclines, LOOP bas another 28 miles running

through the marshland between the shoreline and the Clovelly Sait Dome where crude oil is temporarily crude stored.

By the end of this year, all eight of the salt dome cavi-ties should he available for storage. The oil is expected to come from Sandi Arabla, Nigeria, Kuwait, Egypt, Qatar, Abn Dhabi, Algeria, Oman, Libya and the North Sea-During LOOP's first stage daily throughout is around 1 dm throughput is around 1.4m barrels. Roughly balf will go to refineries in Louisiana and the rest to the midwest and

LOOP has three single buoy moorings (SBMs) laid in an are around the central control and pumping platform. There will eventually be six such SBMs. The shareholders in LOOP are Texaco with 26.6 per cent, Ashland Oil (18.6 per cent), Marathon Pipe Line Company (32.1 per cent). Murphy Oil (3.2 per cent)

and Shell (19.5 per cent). SBMs bave been around for over 20 years, the first three heing installed io 1959-two at Miri In Borneo and one in Sweden. But LOOP is the first significant SBM installation in the U.S.

Captain James Middleton operations manager for Marathon Marine, said in a recent article that the concept required advanced engineering expertise, especially in fool-proof swivel joints for the cargo hoses and in underwater maintenan In areas like Japan. South

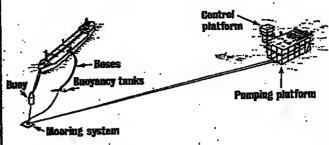
Korea and the Middle East SBMs bave become fairly common, be wrote in the agazine of International Ship Suppliers Association.

Since the U.S. has no ports which can take supertankers— New Orleans, for example, has a maximum 40ft draft against large tanker drafts of 60ft and well over-LOOP was an ohvious project, though it was nearly ten years before the first oil was dis-charged last May.

Other deep water offshore ports have been proposed off the southern and western coasts of the U.S., hot LOOP is the only one to have actually heen built.

Another such port — the Texas Offshore Port (TOP)— is being considered 12 miles off Freeport, Texas, at a possible cost of over \$190m, while Coastal Corporation has a plan for a Gulf Coast Tranwhich would probably cost only \$30m and could be in operation within a year.

In its World Tanker Fleet Review, shipbroking company John l. Jacobs said there was "an nneasy feeling" in the U.S. that some long overdne port developments could he inhibited by high interest rates. But the Port Anthority of New York and New Jersey has authorised a feasibility The Loop System



study for an oil terminal on Staten Island with a pipcline link to the Arthur Kill refineries; this could cost around \$170m and be ready in

Last summer saw the starting-up of a major offshore facility at the Yanbu terminal in Saudi Arabia on the Red Sea. which takes oil transported across the country by pipeline from the country's eastern oilfields. Construction began in 1977 and was fielshed last July

within the \$1.6hn hudget. The current throughput is around 1.85m barrels a day, with a potential for expan-sion up to 3.7m. By taking the oll across the country instead of going around the

peninsula to Enropean and American markets, some 3,000

miles can be saved. Taking an almost science fiction view of the future, the idea of using submarine tankers put forward by General Dynamics would involve ao outlay of some \$17.5bm for 17 non-unclear ships with the appropriate facilities or a not much more modest \$15.6bn for 14 nuclear

The andacious plan woold be to traesport natural gas from the Arctic under the ice to Europeao markets, Putting soch a plan into effect, however, is likely to require more than vision alooe.

Andrew Fisher

### Advances in microwave and satellite links

ments of the offshore oil industry are extremely com-Information about oil production has to he sent daily to land-based terminals, as well as requests for supplies and helicopter services in ferry Phillips men and materials between example platform and shore.

Increasingly, platforms are equipped with compulers to monitor conditions and to control the flow of oil and gas. Computers are constantly and Mi measuring and relaying information vital to the smooth running of the industry.

Maritime forms of communications have been based traditionally on radio. Most of the teleconomunications authorias far as the horizon. However, ties of maritime nations operate : they are capable of carrying emergency long-distance links vast amounts of information with the shore, mainly for ships necessary to control the day to

sopbisticated methods of commuoicatioo such as satellites and microwave radio, are being increasingly used. As the cost of satellites is falling, so their use is likely to increase. Phillips Petroleum, for example bas its own satellite channel to serve one of its North, Sea platforms.

Another technique, based on microwave radio, has been pioneered by British Telecom and Marcom, part of the GEC

It is called tropospheric scatter and tries to overcome the drawback of microwaves which normally have a trans-mission range extending only

carried by high capacity microwave systems. Microwaves are high frequency radio waves and are used in the southern most parts of the North Sea, for example, and anywhere where the platforms are within sight

#### Longer range

Tropospheric scatter allows engineers to increase the range of microwave transmission from about 30 miles to about 400 miles which can then reach the majority of platforms in the central and northern parts of the North Sea, well out of sight from shore.

powerful microwaves are projected upwards towards the horizon in a narrow beam in the The facility, however, is not platform.

The facility how because how

be seeo at night even when the car itself is out of sight over a

While most of the power of to be picked up by the very sensitive receiving aerials far beyond the horizon. Compared beyond the horizon of the offshore oil industry to use the scattered heam is one thousand trillion times smaller.

its tropospheric scatter system the distance. the North Sea in 1976. Mobil's Beryl Alpha was the first to be provided with an automatic telephone service using it.

In order to serve the North. Its principle is that very Sea, British Telecom built two special microwave land stations. One at Mormond Hill in northeast Scotland, while the second is at Scousburgh on South Shet-

THE communications require- oil industry, and other more amounts of information can be troposphere, scatters the beam growth in satellite communi--just as a car's headlights can catlons is highlighted by the fact that, earlier this year, the International Maritime Satellite Organisation, Iomarsat, started operation of its system to the beam is lost, sufficient improve contact between ships, remains to the scattered beam and landbases to replace the

> system especially for its supply ships with link to both home British Telecont ioaugurated base and platforms whatever

The first of the new Marces satellites, operated by Inmarsat, was launched in late 1981 to cover the Atlantic with a second planned for the Pacific region. Both satellites are capable of providing the equivalent of 40 telephone channels compared wilb only 10 chancels for the old Marisat systems which is incorporated into the

HELICOPTER FLEETS

### A race to meet stringent demands

WITHOUT the helicopter, the development of North Sea oil and gas fields, and other offshore fields around the world, would either have taken much longer or would have been much more expensive. The unique capability of the hellcopter to land and take-off almost vertically in confined spaces has made it the ideal vehicle for regular communications and supply duties between the mainland and rigs and platforms often several hundred miles out

As a result, there are now several hundred belicopters of various types engaged in offshore support operations throughout the world. Most of the 30 or so regular helicopter operators in the UK are involved io support work for the oll and gas industries in one way m another - although not all. of them, because of the size of the aircraft they operate, schully fly between the mainland snd the ries. That task is handled hy those with the larger machines.

In 1981, more than 650,000 passengers were carried by heli-copter from UK mainland points, such as Aberdeen, Sumburgh. Tees-side and Unst. to the demands made by the oil Indus-various rigs 20d platforms in the try have in turn forced the puss North Sea - and the figure is rising steadily each year.

It is estimated that there are more than 2,500 rigs and plat-forms involved to the offshore petroleum industry world-wide, requiring the transport of more requiring the transport of more than 50,000 people every week improved engine reliability and between them and the mainland for better fuel consumption. -aed that is le addition to the carriage of stores and equipment. Witbout the direct use of a large fleet of belicopters, the development of the petroleum industry would not have heen as dramatic as it has been in the past two decades.

The biggest operator in the, world, Petroleum Helicopters of resulted in greater use of com-the U.S., has more than 250 air-posites in helicopter manufaccraft, most of them involved in ture, helping to save weight the oil lodustry in one way or -which in turn has helped to imanother. In the UK, the biggest prove range and payload perwith new satellites.

Elaine Williams

The description operator is Bristow Hellcopters, formance even more. As a result with over 70 alreraft in serof these developments, the vice, on order or in process of entire belicopter manufacturing



The new Westland 30 helicopter on a gas production rig in

delivery, tochiding some of the industry has benefited, Freech Aerospatiale Super Puma, called the Tiger by Bristow. The next largest operator is British Airways Helicopters, with a fleet of nearly 40 aircraft, iocluding the bigof the military twin - turbine

engined, twin-rotor Chinoolt. private or company aircraft, there are over 30 more regular operators of varying sizes, down to the smallest one aircraft operator, all of whom are able in one way or another to support the oil industry as well as nodertake other types of work.

#### Hand-in-hand

helicopter has gone hand in ment, says that in the first six hand. As the growth of the oil month of halfs operations industry's activities has been with the Bueing 234 in the accelerated by the use of rotary- North Sea, more than 36,000 winged aircraft, so the stringent proposers were carried, with demands made by the oil indus- on were a round-rip flight of of technological development in have been very high, and helicopters. There have been steady demands, for example, while the harsh operating environment has led to Improvements to the reliability of components, such as rotor hlades and transmission systems, and epecially improved resistance to

At the same time, the steady search for new materials has

latest twio-eogined turbine- remerowinged craft as a whole powered aircraft such as the are now more ragged, reliable and conferientive than ever before.

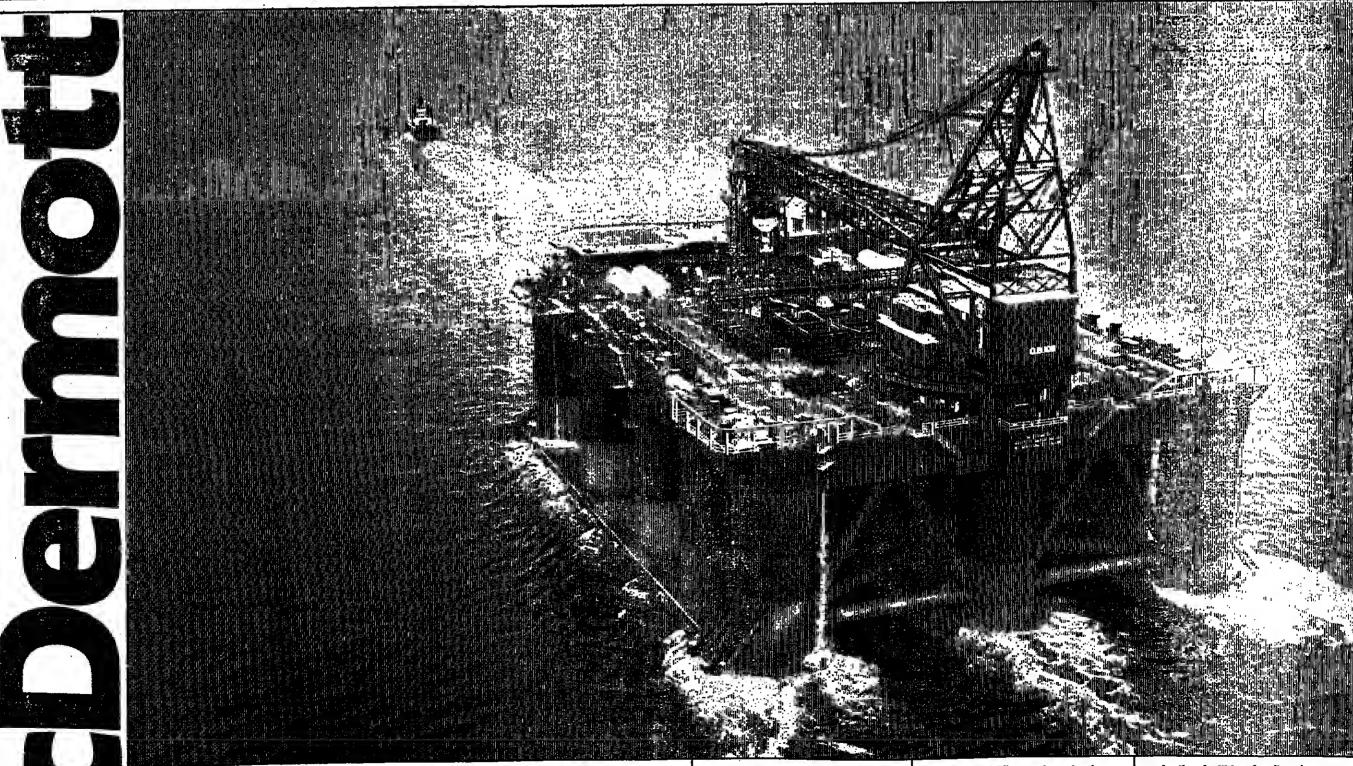
This two-way stimulation of development is likely to con-tinue through the 1980s, as the demand for crude oil generates emploration in even remote areas facther from the maingest passenger helicopter yet areas facther from the main-built, the new Boeing Vertol load, requiring helicopters of 224, a commercial derivative even regime range and payload of the military twin - turbine engined, twin-rotor Chinook.

Behlod these, excluding distance and payload engined. So lar, the biggest helicope is seen used effective is the distance and payload engine. whys Hericopters is buying six of these paternit. Three are already in service, linking Abordson directly with the disting his at complete and also the very other parts of the North Say, Two more tre due to come min to the soon, and the sixth alterative due in service this summer, life charles W. Ellis, Royan Verlat's vice-president The development of the off- business peculiation and heli-shore oil industry and of the courty programme manage-

about 41 hours. Load factors porcondity and reliability are near very road, after some initial peciting difficulties. One feature of the developmont of the helicopter for offshore duties is that the aircraft

generally used are twin-lurbine enamed, for propler reliability. The long-standing work-horse of the locustry, the 26-30 seat Silverby S-61X, is Iwin-engined. and all the other aircraft that have followed have adopted the value contept of two-engined safety, including, for example, the latest types such as the 12-14 seater Sikorsky S-76, the 20-22 seater Aerospatiale Super Princ. the Eneing 234 and the latest arrival on the scene, the Westland W-90 19-seater, which entered Worvice with British Airways Helicopters earlier this

Michael Donne



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No matter how the world solves its energy problems, McDermott is involved.

### Dollar weak

foreign exchange trading yester-day afternoon. Market sources suggested that the selling pressure came from the Middle East, and the U.S. currency was generally exchanged for D-marks and the Japanese yen. Sterling benefited from the move out of the dollar, but remained weak against most European currencies.

DOLLAR — Trade-weighted previous month)—The D-mark remained very strong sgainst most EMS currencies at the Frankfurt fixing, helped by Wednesday's spinouncement of o record West German trade surplus in March. It improved against four members of the EMS, losing ground to only the lirish punt and the Dutch guidler. The French franc fell to DM 38.30 per 100 francs from DM 38.3250, and the Danish

the dollar, but remained weak against most European currencies.

DOLLAR — Trade-weighted index 113.4 against 113.8 on Wednesday, and 103.4 six months ago. Three-month Treasury bills 12.54 per cent (1.25 per cent stx months ago). Annual inflation 6.5 per cent (2.7 per cent previous month)—The dollar feel to DM 2.3550 from DM 2.3550 against the D-mark; to DM 2.3550 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFr 6.1330 against the D-mark; to FFF 6.1025 from FFF 6.1330 against the D-mark; to FFF 6.1025 from FFF 6.1025 from

FARC	FILDODEAN	CHERRY	S I BLITT	DATEC
E M S	LUNUPLAN	CURRENCY		MAILE

	eentraf rates	amounts against ECU April 29	from control rate	% change adjusted for divergence	Divergence limit %
Bolgian Franc	44.6963	45.0954	+0.89	+1,04	+1.5440
Oanish Krone	8.18382	8.10320	-0.99	-0.84	¥1.6428
German O-Mark	2.41815	2.38686	-1.29	-1.14	-1.1097
Franch Franc	8.19564	5.22890	+0.54	+0.69	±1.3743
Outch Guilder	2,67296	2.64922	-0.89	-0.74	+1,5069
Insh Puni	0.686799	0.690005	+0.47	+0.62	+1.6683
Italien Lira	1305,13	1319.85	+1.11	+1.11	±4,1242
Change	s are for E	CU. therefore	positive ch	enge denotes	9

weak currency. Adjustment calculated by Financial Times. For Starting/ECU rate see CURRENCY RATES table.

#### THE POUND SPOT AND FORWARD

April 25	Day's	Close	One month	7, P.B.	months	72 p.a.
U.S.	1.7900-1.8050	1.7945-1.7965	0.23-0.33c dis.	-1.87	0.88-0.78dls	
Canada	2.1800-2.2050	2,1925-2,1945	0.18-0.28c dia	-1,26	1.20-1,30dis	- 2.28
Nemind	4.63-4.68	4.857-4.567	21 -1 ac pm	4.93	54-54 pm	4.83
Belgiva	78.95-79.70	79.45-79.80	20-30c dia	3.77	62-76c dis	-3.67
Denmar		14.261-14.261	67-77-ore dis	-6,20	137-21's dis	-5.76
bnctord	1,2090-1.2200	1,2160-1,2170	0.62-0.75p dis	-6.76	1.84-2.02dla	-5.35
W. Ger.		4.154-4.20%	1%-1%pf pm	4,29	5-P-of pm	4.53
Portuga	127.00-128.50	127.00-127.50	190-454a dis	-30.36	395-1200dia	-25.07
Spain .	186,00-187,00	186,80-185,80	50-75c dis	-4.01	170-210dis	-4.07
Italy	2.322-2.333	2,330-2,332	221-251, lire dis	-12.35	65-69 dis	- 71.50
Norway		10.75-10.77	5-7'sore dis	-7.32	87-10 dks	-3.61
France	10.93-10.99	10.947-10.9872	6-8c dis	-7.67	22-25 dis	-8.5E
Sweden	10.39-10.43	10.41-10.43	Sore pm-per	0.36	- 11-11, per	0,55
Japan	421-426	4221-4237	2.45-2.25y pm	6.67	6.80-8.60 pp	ş <b>5.3</b> 3
Austna	29.40-29.65	29.48-29.53	15-11gro pm	. 5.29	39-31 pm	4.75
Switz.	3.47 -3.521-	3.51-3.62	25-25c pm	8.96	72-72 pm	8.53

Selgian rate is for convertible francs. Financial franc 86.90-87.00, Six-month forward dollar 1.14-1.20c dis, 12-month 1.50-2.05c dis,

#### THE DOLLAR SPOT AND FORWARD

i	April 29	apread	Closs	One month	p.a.	months	p.e.
•	UKŧ	1.7800-1.8050	1.7945-1.7965	0.23-0.33c dis		0.68-0.78dis	
,	relandt	1.4640-1.4810	1.4770-1.4810	0.63-0.53c pm		1.75-1.60 pm	
•	Coneda	1.2220-1.2265	1.2225-1.2230	2.03-0.06c dis		0.19-0.23dis	
	Nothind.	2.5935-2.6260	2.5935-2.5960	1,50-1.40c pm		4.27-4.17 pm	
•	Bolg: um	44.28-44.56	44,28-44.30	5-8c dis			-2.02
	Oenmark	7.9450-8 0175	7.9450-7.9550	2.85-3.10ore dis			-4.28
•	W. Gor.	2.3325-2.3575	2.3375-2.3385	1.28-1.23pf pm		3.71-3.68 pm	
•	Portugal	71.00-72.00	71.00-71.30	100-300c dis		200-650dis	
•	Spain	104,20-104,80	104.20-104.25	16-23c dis		65-75 dis	-2.68
t	Italy	7,296-1.3067	1,297-1,298	11-13 /hre dis		30-33 dīs	-0.59
	Nerway	5,9900-5,0230	5,9950-6,0000	2.30-2 70ore dis		2.65-3,06dis	
:	France	6.1000-6.1700	5.1000-6.1050	2½-3½c dis		10-11 dis	-6.83
	Sweden	6.8150-6.8450	5,8150-5.8250	0.90-0.70ore pm		3,20-3.06 pm	
•	Japan	235.10-238.55	235.45-235.55	1.71-1.63y pm		4.72-4.62 pm	
Ì	Auglnia	16.45-18.62	15.45-15.47	1012-914gra pm		27 <sup>1</sup> 2-24 <sup>1</sup> 2 pm	
Į	Switz.	1.9535-1.9600	1.9565-1.9575	1.88-1.80c pm	11.28	5.06-5.00 pm	10.30

t UK and Ireland ore quoted in U.S. currency. Forward premiums and discounts epply to the U.S. doller and not to the individual currency.

RENCY	MOVE	nen 15	CURRENCY RATES							
April 89	England	Morgan Guaranty Changes		rate %	Special Drawing Rights	Units				
ollar.  collar.  coll	117.9 95.4 84.3 194.7 148.1 115.0 70.2 64.0 138.5	-33.4 +6.1 -19.0 +05.3 -1.4 -13.6 +48.9 +98.7 +22.1 -14.8 -58.5 +33.4	Sterling	19 15,32 61 <sub>2</sub> 14 11 71 <sub>2</sub> 8 01 <sub>2</sub> 19 51 <sub>2</sub>	18.6761 50.0039 9.01848 2.95153 2.94015 6,90929	0.567750* 1.01258* 1.24112* 18.7961* 45.0954* 8.10320* 8.33665* 9.64028* 9.240.742* 0.08309* 105.744* 0.91146*				
on trada we ngton agreem of England 1 100).	ent Decem	ber, 1971.	Swiss Fr	201g rete f	8.20821 71.2814 or April 2 rate for	1.98689 64,1471				

#### OTHER CURRENCIES

April 29	£	5		£ Note Rates
Argentina Peso Australia Dollar Srazil Cruzeiro Fialand Markka Orsek Orachma Hong Kong Dollar fran Riel Luxembourg Fr Malaysia Dollar Malaysia Dollar May Zesland Dr Saudi Arob. Riyai Singapore Dollar Singapore Dollar J. African Rand U.A.E. Dirham	1,5000 1,5920 275,90.977,95 8,170.9,189 110,597,115,385 10,32%-10,41 145,40° 0,506-0,512 79,45-70,60 4,141,-4,151- 2,3250-2,3290 5,07-5,15 8,774,-3,7914	0,9420-0,9425 154,84-155,51 4,5545-4,5555 62,88-63,05 92,00° 92559-0,2861 44,28-44,80 2,3100-9,3150 1,2945-1,2955 3,4295-3,4515 3,1030-3,1080	Belgium	29.45-29.75 851-861 14.21-14.35 10.91-11.01 4.191 <sub>2</sub> -4.221 2300-2345 424-429 4.661 <sub>2</sub> -4.711 <sub>2</sub> 10.68-10.70 126-134 1801-1991 <sub>4</sub> 10.36-10.46 5.471 <sub>2</sub> -3.511 <sub>4</sub> 1.771 <sub>2</sub> -1.791 <sub>2</sub> 03.101

of the bid and effered rates for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of

#### **EXCHANGE CROSS RATES**

offer 15 1/8

April 22	Pound St'rling	U.S. Dollar	Deutschem's	Japan'se Yen	French Franc	Swiss Franc	Dutch Culld"	Italian Lira	Canadia Dolla	Belgian Franc
Pound Sterling	0,567	1,726	4.198	423.0	10,958	3,515	4,660	2331,	2,194	79,53
U.S. Dollar		1.	2.338	235.6	5,101	1,958	9,595	1298,	1,222	44,29
Deutshomark	0,238	0.428	9,923	100.8	2.610	0.837	1.110	655.3	0,528	18,25
Japanese Yen 1,000	2,364	4.245		1000.	25.90	8.510	11,02	5511.	5,186	. 188,0
French Franc 10	0.213	1,539	3,832	385,1	10.	5.209	4,254	2198.	2,002	72,59
Swiss Franc	0.284	0,511	1,194	120,5	3,117	1	1,326	563.2	0,624	32,62
Dutch Gullder	0.215	0,385	0.901	90,77	2,351	0.754	1,999	500.2	0.471	17,07
Italian Ura 1,000	0,480	0,770	1.801	181,5	4,700	1,508		1000.	0.941	34,12
Ganadian Oollar Belgian Franc 100	0,456 1,957	0,810 2,259	1.914 5,378	192,8 531,9	4,994 15.78	1,602	2.124 5,860	1063. 2051.	2,758	36.26 199.

offer 15 1/16

Ganadkın Oollar Belgian Franc 100	0,456 1,957		0,810 2,259	1.914 5,278		192,8 551,9		4,994 15.78	1,602 4,420	2.124 6,860		1063. 2051.		1, 2,758		36,25 199,
FT LONDON	INTER	RB/	NK I	FIXING (	11.	.00 a	a.m	, APR	iL 29)							
Z months U.S. doi:	ers 1	_	5 monti	ha U.S. dellare				The fixing	rates are the a	nthmetical	mean	ns, round	ed to	the neer	est o	ne-sixteenti

### **EURO-CURRENCY INTEREST RATES (Market closing Rates)**

April 29	Sterling	۵.S. Dollar	Çanedian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Bolgia:	Franc Fin,	- Yen	Danish Krone
Short term	15 4-15 tg 13 4-135g 156g-155a	155g-157g 1514-151g 10-1514 147g-1516 147g-1616	101g-161g 151g-101g 155g-18 161g-191g 161g-167g	81g -854 95g-87g 934-87g 85g-87g 85g-87g	2.24 2.24 458.44 41.44 6.518	91g-914 91g-914 913-915 614-813 81g-95g	17-18 19-90 203-813- 213-294 214-82	16-19 2554-2554 841g-2578 241g-2518 257g-2458 251g-2458	16-17 103-1778 16-17 161-17 181-17	15-15 ½ 14 ¾-15 ¼ 14 ¼-14 ½ 14 ½-14 ½ 14 ½-14 ½	656-676 678-7 678-7 612-7-6 612-613	151 <sub>2</sub> -151 <sub>3</sub> 184-195 <sub>3</sub> 197 <sub>8</sub> -204 197 <sub>8</sub> -204 185 <sub>8</sub> -19

#### **MONEY MARKETS**

### London rates continue to ease

UK CLEARING BANK BASE LENDING RATE 13 PER CENT (SINCE MARCH 12) Interest rates were slightly fall in perind rates reflected sterling's continued strength which was boosted by a decline in the dollar nod U.S. interest rates. Short term rates fell as the Bank of England gave rather more assistance than appeared to be necessary. An early forecast of o shortage of £200m was amended to £250m and the Bank bought a total of £261m of eligible bank bills. These were spit into £10m in band 1 (np 10

split into £10m in band 1 (np 10 14 days) at 13½ per cept, £153m in band 2 (15-83 days) at 13 per cent and £98m in band 3 (34-63 days) at 12½ per cept.

Although no further help was given in the afternoon, the Bank did announce a further revision to the forecast to a shortege of to the forecast to o shortage of £150m. This was reflected in the overnight interbank rate which fell to I per cent in places. of 131-131 per cent and rates having started the day at a high declined from this early level during the day.

MOREY RATES	
NEW YORK Prime rate Fod. (unch-time) Treasury bills (13-week) Treasury bills (28-week)	
GERMANY Special Lomberd Overnight rate One month Three months 5ix months	9.225
FRANCE Intervention rate Overnight rate Due month Three manths Six months	18.00 16.75 15.625 16.625 15.5625
JAPAN Discount rete Call (unconditional) Gill discount (three-month)	9.50 7.21875 7.09375

Factors affecting the market included bills maturing in official hands —£183m and Exchequer

transactions —£75m.

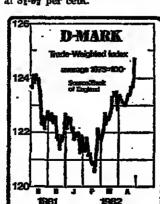
In New York interest rates were easier following moves by the Federal authorities to make further funds ovailable to help offset expected fluctuations in the money was trading at \$1.93 per cent.

further funds ovailable to help offset expected finctuations in short term liquidity.

In Frankfurt call money was quoted at 9.5 per cent as banks continued to seek funds to meet end of month requirements. As expected the shortage caused by this and the unwinding on Monday of a DM 5.5 bn repurchase agreement has not been countered by further assistance from the Bundesbank and banks have had to draw heavily on the special Lombard facility. Funds obtained in this way totalled DM 5.9 bn on Wednesday, up sharply from Tuesday's figure of DM 2.2 bn. Yesterday the special Lombard facility remained open Lombard facility remained open

at 9.5 per cent.
In Amsterdam the

Dutch call money rate was in-creased to 8.75 per cent from g per cent, reflecting a tightening in market liquidity. Revenue payments have contributed to the



#### **EUROCURRENCIES Eurodollars** firmer

Firmer Euro-dollar rates helped to push the dollar weaker in forward trading yesterday. The dollar's discount against sterling widened from Wednes-day's levels os Euro-sterling

rates were basically unchanged. The differential between Enro-dollars and Euro-D-marks also widened and the mark comman-ded a higher premium in the

forward market. The French franc Japanese yen behaved in a similar manner while a higher premium on the Swiss francreflected not only higher Eurodollar rates but a fall in Euro Swiss franc rates.

Italian rates were slightly firmer but the bira failed to respond in forward trading, showing a slightly wider discount against the dollar.

#### LONDON MONEY RATES

April 29 1982	Sterling Gertificate of deposit	interbank	Local Authority deposits	Local Arth. Regotiable bolids	Finance House Deposits	Company Deposits		Treasury Bills o	Silgible Bank Bills 4	Fine Trade Blile #
Overnight		1-1314		_		9-134		<b>—</b>		~
2 days setice 7 days or		रह	134	=	=	1 =	_	] = .	· =	_
7 days notice One month	<b>-</b>	134-138 131 <sub>2</sub> -138	131 <sub>2</sub> 131 <del>2</del>	3414-14	1550	15lg 1384	13 13 12%	134	13/4	14
Two months Three months.	16 6 15 12	15 A - 133, 1858-133,	185a	144.14	13 14 13 14	13%-13% 13%	12% 12%	13	12 13 13 13 13 13 13 13 13 13 13 13 13 13	. 154 154
Six months	15\\\.15\q	134-135	135	131g-13 a	185. 185.				124-125	136 <sub>6</sub>
Nine months One year		135g.133g 135g-133g	1334	144-137a 14-135a	134	=	·= ·	; = 1	=	_
Times weeker		· _	14	:	_	1	_	i		

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage is nominally three years 144 per cent; four years 144 per cent; five years 144 per cent. EBenk bill rates in table are ong rates for prime paper. Buying rates for four-month bank bills 13-135, per cent; four months stade bills 13-15 per

### FT UNIT TRUST INFORMATION SERVICE

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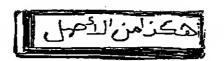
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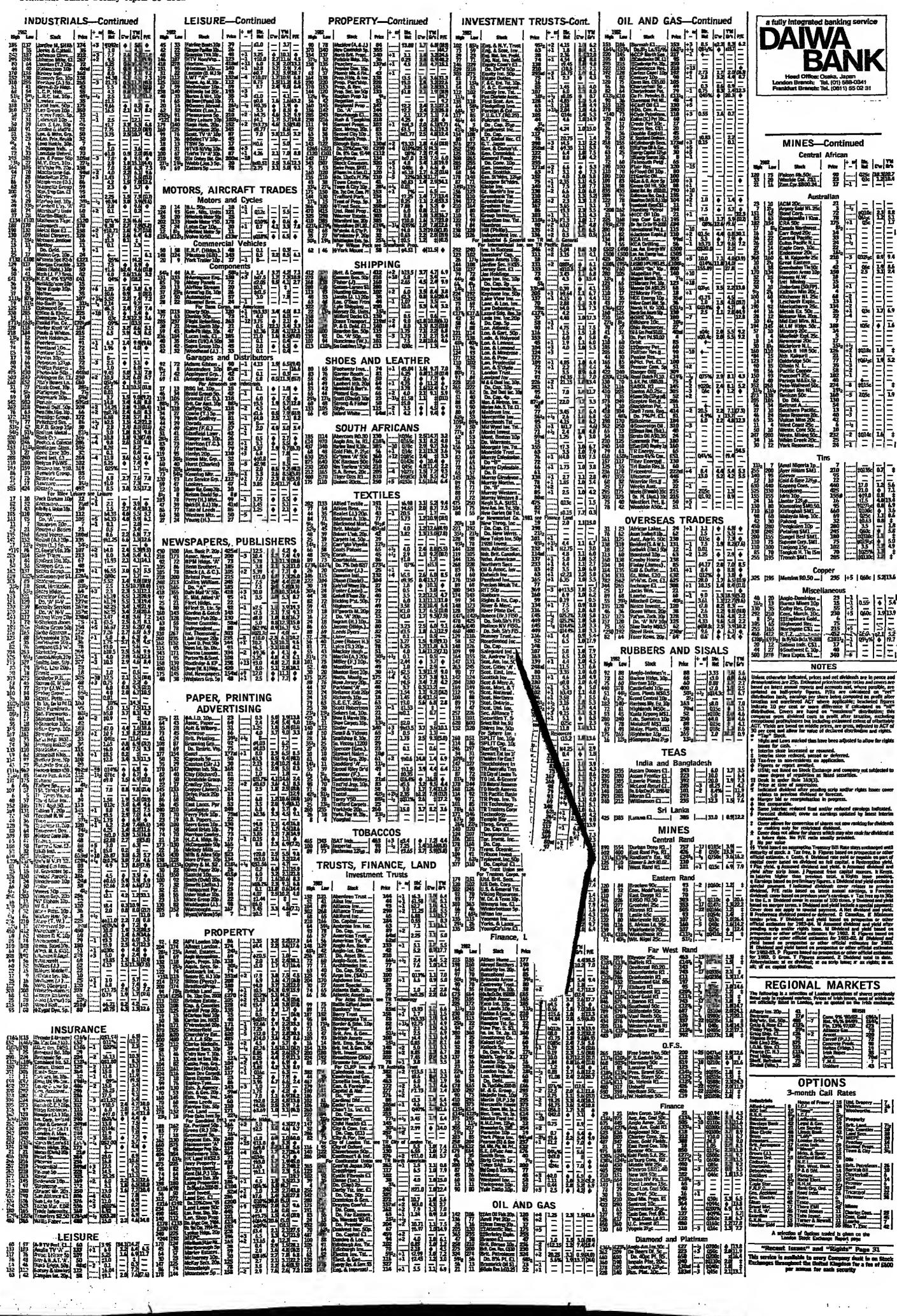
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1	INSURANCES	INSURANCE & OVERSEAS MANAGED FUNDS  Street Management Limited P.O. Box 73, St. Heller, Josep, Grandle Int., 165, 165, 165, 165, 165, 165, 165, 165	
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DRYING & COATING PLANTS FOR THE

CONSTRUCTION INDUSTRY STRATFORD-UPON-AYON

### BL launches bonus drive for trade-in deals

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

honuses of hetween £150 and £300 a car in May. The move reflects the company's concern about its failure so far this year to meet its market-share

The aim of the bonus scheme is to give dealers more room to manoenvre in what BL describes as "the most competitive market conditions we have ever seen.

The action should allow BL dealers to offer hetter prices for cars traded in hy private It will he backed by a major

NUR may

stop works

8y Brian Groom, Labour Staff THE NATIONAL Union of

Railwaymen faced British Rail

yesterday with the threat of strikes if BR went ahead with plans to cut more than 5.000

johs in 12 engineering work-

fight proposals which include

closing the works at Horwich,

Lancs, and Shildon, Co Durham, and halving the workforce at

"If they proceed with this policy it will he met hy the full

industrial strength of this union, which will include strikes and other forms of

its resolution.

Mr Sid Weighell, NUR general secretary, made clear after the meeting that this

would mean action by the

uolon's 178,000 members among

the 250,000 employees of British Reil and its subsidiaries.

threal appears to be a shot

across BR's hows.
The Confederation of Ship-building and Engineering Unions, the other main repre-

sentative of the 35,000 workers at British Rall Engineering, will decide its view on May 5, after

which the unions meet the com-

maintenance of privately-owned

investment and realistic floan-

new Bedford-St Pancras service.

don, which faces closure of its

workshop with loss of 2,185 johs

interests.

cial limits.

No deadline was set, and the

the executive said in

Swindon, within 18 months,

The NUR executive voted to

strike to

closures

advertising launched on Sunday, with the theme that BL dealers "will give you much, much more for the car you are driving

> Bonuses will he hased on dealers' sales performance in April, and will therefore vary. Ail Austin Rover cars will be involved — including Metro.

> Mr Peter Johnson, Austin Rover director of sales and marketing, admitted last night that BL was "disappointed" with its car market share this year-less than 17 per

MIDLAND BANK has appointed

Mr Guy Parsons and Mr Richard

Agutter of Peat, Marwick,

Mitchell as joiot receivers of

Birmingbam and Midland

Counties Trust, the investment

holding company controlled hy

Mr Graham Ferguson Lacev

and his long-standing business

The receivers were " urgently

assessing" the trust's finances

vesterday but it is understood

that its principal asset is a 38

per cent interest in NCC Energy.

guson Lacey. The hank, through

its Northern Bank Development

Corporation subsidiary, is he-lieved to have advanced between

£8m and £12m to the trust, in

a mixture of overdrafts and

term loans with a floating charge on the stake in NCC.

The NCC listing was sus-

pended oo Monday at 35p.

which values BCMT's bolding at

£4.9m against £15.68m earlier

this year when the price was standing at a 1982 peak of 112p.

Mr Ferguson Lacey's business

interests are mu ultimately on

associate, Mr Cecil McBride.

cent compared with the target of 20-22 per cent for 1982. "We won't be panicked into cutting our prices," he

insisted. The turmoil in the new car market came to a head in

March when a Ford bonus scheme, offering up to £400 on some models, reached a

As a result, Ford captured a record 39 per cent market share in March. This bas fallen to 25 per cent in April, hnt Ford is still on target

Midland calls in receiver

at Ferguson Lacey trust

for a 32 per cent share for the year.

Ford followed up with its heavily publicised "price realignment" programme with advertising which emphasized the price cuis. Vauxhall, the General

Motors offsboot, retallated hy giving its dealers up to £400 a car in bonuses during This campaign excluded the Cavalicr hut. ironically, the Cavalier will still take second place in the best-selling car list for April with more than 7 per cent of total market sales.

### Service pay award nounced shortly.

**Ministers** 

back Civil

PAY RISES of about 6 per cent for the armed forces and Civil Service are expected to be an-

Minister decided resterday to accept the recommendation of the Civil Service Arhitration Tribunal that Britain's 530,000 white-collar civil servants should get increases ranging from 4.75 per cent to 6.25 per cent and averaging 5.9 per cent. Ministers also considered a

report from the armed forces review body, which is understood to have proposed a range of increases averaging about 6 per cent. The Government seems almost certain to honour this recommendation in full, given the political climate created by the Falkslands crisis.

Reports from other review

groups. iocluding the Top Salaries Review Body are also being considered. No decision has been taken on the TSRB. which covers judges, senior civil servants, but it is under stood to have recommended increases of well over 6 per cent, which could create prob-

lems for the Government. The Civil Service award is subject to Parliamentary approval under the terms of the agreement which ended the 21-week Civil Service strike last year. The Government had reserved the right to ask Parliament to overturn the recom-mendation, but yesterday it decided against risking another damaging confrontation with

the unions.

The recommendation on Civil Service pay is well in excess of the Government's 4 per cent limit, But Ministers seemed satisfied yesterday that, like last year's 71 per cent award, the Civil Service settle ment could be contained largely within the existing budget. The award also has the advantage from the Government's point of view of being below the 6.4 per cent it bas offered nurses. The Government had offered

civil servants iocreases ranging from nought to 51 per cent. The offer was designed to make Civil Service pay reflect more closely the impact of market forces. The unions wanted a flat f3 per cent.

well above its offer, the tribunal bad accepted its argument George Wimpey against a flat-rate increase, and that market forces should be taken into account when fixing civil servants' pay,

The Council of Civil Service Unions accepted the award last wek when it was published, but arfued that it fell "far short" of the original claim.

### Weather

UK TODAY

CLOUDY but dry in most places with rain in Northern Scotland. Near normal tempera-London, S. Central and N.W.

Scotland. Max 11 to 13C (52 to 55F), 8 to 10C (46 to 50F).

S9 Madrid 82 Majorga 753 Majaga 772 Majia 46 Michstr 46 Meibne 87 My C †

45 Nagles

57 Nassau

8 48 Oslo 9 48 Oslo 7 46 Paus

10 50 Rykiyk. 14 S7 Rhades 10 50 Rio J'ot

50 Sickhm

7 45 Tenerila

— — Valencia 21 70 i Venice 27 72 i Vienna

Sino F 20 68 Warsaw C lifon C 13 55 Zunch C C-Cloudy, F-Fair, R-Re S-Sunny, SI-Sicet,

t Noon GMT temperatures

Strasba.

F 17 62

Arms sels

England, Wales and Northern Lecland Rather cloudy, some bright intervals. Perhaps a little rain in more northern areas.

Max 12 to 14C (54 to 57F), 14 to 16C (57 to 61F). N.E. Eogland, Borders, Scotland offshore Rather cloudy, occasional rain. Wind strong to gale force in Central and Northern

Outlook: Rain, spreading from the northwest to most parts. Becoming colder with night WORLDWIDE Ajaccio S 17 631L Ang.†
Ajaccio S 17 631L Ang.†
Alquers S 13 66 Luxmbg.
Amsdm. C 7 45 Luxol
Athana C 15 59 Madrid

### **New MOSFETS**

Ferranti Electronics has introduced another member to its comprehensive family of N-channel vertical DMOS Power MOSFETS-the ZVN12 which is now in full pro-

The four families in the ZVN12 range have breakdown voltages from 20-200V and maximum practical d.c. currents of up to 16A; on resistance is as low as 0.25 ahm

Briefly . . .

Micro-Electronics Group of Ferranti ple in Scotland is now fully approved to BS 9450 for its thin film active hybrid and resistor networks. 1981 TOBIE award for electronic technology and originality was presented to Ferranti Electronics for FAB2 a new six-mask blpolar fahrication process for R series ULAs offering 10,000gate complexity with ECL speeds and CMOS level power dissipation.

THE LEX COLUMN

# Marks steps up the pace

Pity the competitors of Marks and Spencer. At a time of stagnant retail demand, the stores group has pushed up valame in the UK by II per cent-and the rate of gain has been increasing. A slight widening of gross margins and continued tight control of costs means that net margins have improved. So pre-tax profits for the year have risen by 23 per cent to £222.1m.

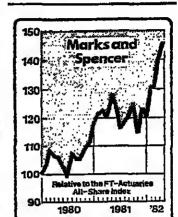
The performance in the first half was flattered by a rela-tively weak comparable period in 1980, when pre-tax profits fell by 11 per cent. However, the second six months has maintained the growth momentum. with a profits rise of 21 per cent, even though the same period a year earlier had registered an improvement of 17 per cent.

Whereas volume in food in existing stores rose by perhaps 12 per cent in the first half in the second the gain seems to have been nearer 15 per cent. even allowing for an extra week. Likewise, in clothing a volume gain of perhaps 4 per cent in the first six mooths has emerged at nearer 9 per cent in the second.

Investors who switched out of Marks into recovery stocks last autumn have lost a lot of money. 1s the timing for such a move more propitious now? A pick-up in retail spending which would favour more fashion oriented stocks-still looks some way off, Moreover, there is more to the group's confidence in continued rapid volume growth in the current year than the attractiveness of its wares in recessionary times. Marks seems to have found a new growth formula in Its range of new products like footwear and tolletries. At the same time as conducting an aggressive store expansion programme, it is switching clothes out of its secondary sites in favour of these new lines. Meanwhile, the patient work in Europe and Canada is showing definite signs of promise. Prowanted a fiat f3 per cent.

Ministers seemed to take the view yesterday that, while the tribunal's recommendation was well above its affect that while the well above its affect that will above its affect that will be a round 3.6 p

The drop in George Wimpey's full year profits was not quite so steep at at the interim stage; nevertheless the decline at the pre-tax level is fully 20 per cent to £44.2m. The conservative amounting methods used by the group mean that only now is the downturn in the conIndex rose 6.7 to 582.0



tribution from UK private housing beginning to work into the figures, and a further decline for the current year looks pretty well built in. Meanwhile property sale profits have been North America lower and remaios difficult. However, the company has taken in a hig chunk of profits following the completion of the Dubai aluminium smelter, and these earnings will tail off.

Private housing margins in the UK have been squeezed a process not alleviated by the introduction of new marketing techniques. This year volume expansion is being achieved malnly by moving into the heavily contested market for first-time buyers. Meanwhile, a reduction of £12m in net debt has been partly brought about by a reduction in the land bank. In the current year underlying profits are likely to remain sluggish - although the exact outcome will depend on the level of properly sales. Never-theless, with investors apparently hypomtised by the prospect of a paper revaluation of property assets next year, the share price rose 5p yesterday to 112p, a level which finds little support from a yield of

meeting was not enough to brace the market fur yesterday's first quarter figures, which and left the shares op lower at 318p.

This was all in marked contrast to a year ago when ICI bounced back with a first works.

quarter pre-tiev profit of £52m. Yeslorda houre was 162m, which compares more with the £94m Jil made before exceptional currency gains in the final quarter of last year. The unexpected damage rame from all and oil-based products. Lower output from Ninian, compled with weak prices, cut oil profit, to \$12m, after almost maintained PRT payments.

But the exercs production capacity of plastics and petrochemicals prevented lawer crude prices from feeding through into margins, white destocking of finished products intensified the squeeze on overhead recovery.

Outside the innestanding problem areas, however, 103 is making steady progress. Chemicals volume showed an encouraging 5 per rent increase in continental Europe, even without much help exchange rates. Both fibres and organies are now leading close to break-even and the pharmaceutical division is still racing ahead on the back of Tenomin sales in the U.S.

ICI is taking a very guarded view of the level of demand. Business picked up well in March but in some areas, such as agricultural products, the better weather may have been the main reason. On an historic yield of 8.5 per cent, the shares are certainly not discounting full dividend restaration in

#### GUS/Empire

Great Universal Stores has strengthened its hand by picking up another 14.7 per cent of Empire Stores in the market. True to form, it paid most of the bill with a vendor placing of its own shares and stopped just short of a total holding of 30 per cent—the level at which a full cash, alternative to its offer would existing required. Including acceptances, GUS

has aloust 40 per cent of Empire under its belt and must be hoping to plead falt accompliat the Otice of Fair Trading. Referral still looks very unuch on the cards but GUS stands to The cold water which ICI's henefit cilher way. Its existing new chairman poured on share-holding would probably be holders at last week's aunual sufficient to deler any predalor. from outside the mail order sector, which must be its first objective, while a green light from the OFT could enable it to enhance its market share at relatively little cost. Only compulsory divestment would really put a spaoner in the

### **Solidarity**

hy the Polish Church Council on "national accord."

This document, produced at the heginning of April hy a group of lay advisers to Archbishop Josef Glemp, said that the union should drop its overt political amhitions and suggested that Solidarity went too far in its demands last year. The Solidarity leaders still at

liberty also announced that, from now on, they would be co-ordinating action in an attempt to recover the middle ground, and mobilise the popuheliind moderate demands. The group also called or

members to establish unofficial social welfare commiltees in each factory, 10 organise discussion groups to work on union tactics, and to acquire duplicating facilities. All union printing machinery was ordered seized fullowing the military clamp-down.

The leaders warned the Government against taking any further drastic action against Solidarity. If the union were banned—at present it is "susptuded" — they declared we will not hesitate to call for | settlement." a scneral strike and actively to defend factories."

to free 1.000 internees was "a particularly in view of the small step forward." About existing discussions at Security needed, however, before Pope John Pau! II could visit Poland. to both parties, and the need approach the Falklands area

operation. negoliations.

Mrs Thatcher UN further at this stage. She stressed that if anyone rould be Mr Haig, and said that the UN did not have the power to enforce cumpliance with its resolutions.

She stressed the constant activity in which Britain had been involved at the UN via Sir Anthony Parsons, UK permanent representative.

Cenenra: on

Accordin gto Mrs Thatcher Sir Anthony has advised that Agencies add: Archbishop the UN Secretary-Ceneral is Glemp said in Rome yesterday conscious of the problems inthat the Government's decision volved in taking any initiative. 2.000 others are still being held. Council, the problem of estab-More concessions would be listing in advance whether any initiative would be acceptable British task force continued to ranging and the need approach the Falklands area \$50bn.

Continued from Page 1 | Continued from Page 1

### U.S. on peace moves

to call a division at the end of the debale. Mr Tony Benn Security Council before taking accused Mrs Thatcher and the Cahinet of losing control of the Bridget Bloom. Defence

Mr Foot said that no military action should he taken which might jeopardise the success of the negotiations of the Haig proposals. He maintained that if these proposals did not succeed the UK should go hack to the UN for further

indicated scepticism about involving the succeed in mediation it would

He has had continuing discussions with the UN Secretary-" contingency planning about the part the UN might be able to play in the longer term in negotiating and implementing a diplomatic

Security Council before taking

Ministry of Defence has said that any aircraft or ships found within the 200-mile zone round the Falklands, or at the airport at Port Stanley, on East Falk-land, after midday today will he regarded as hostile and be liable to attack Argentina has respected the

sea blockade, termed maritime exclusion zone, which Britain imposed on April 12. The big question today and in the next few days will be whether Buenos Aires decides to fry to run the air blockade. Argentina stepped up war

British deadline neared. An air force spokesman in Comodoro Rivadavia, a major supply point for the Falklands, said that any British aircraft which approached that or the other southern Argentine cities of Rio Callegos or Rio Crande

preparations yesterday as the

will not relurn to its base ". Anti-aircraft defences, radar and other electronic warning posts were reported tohave been strengthened round southern

Falklands however, nor of the interest rates.

Argentine fleet, which the Min-Although Argentine fleet, which the Ministry of Defence in London continued to say was strung out along the Argentine coast, with

#### Continued from Page 1 Wall St.

the market had been generally more optimistic and had expected some sort of compro-

any action.

Bridget Bloom, Defence Correspondent, writes: The promise which would have provided a more optimistic atmosphere," said Mr William Griege, of J. Henry Schroder Bank and Trust Company, But the breakdown of the

Budget negotiations would have little effect on interest rates, be said, veicing the Wall Street's geoeral view. The market's main preoccupa-tion continues to he the Federal

Reserve's monetary policies and the weekly supply aggregates. M-1, the widely watched weekly measure, is currently growing at an annual rate of nearly 10 per cent, which is well above the Fed's 24 per cent to 54 per cent growth targets for M-1 this year. believe interest rates will start | Conting Co easing as early as next month. the market in general is still looking for a weakening in M-1. It is very concerned that this

the Treasury in Argentine waters. Naval Street generally expects sources in Argentina said the Brilish task force continued to ranging between \$10bn and

#### **NEWS** REVIEW

BUSINESS

**Argus** supervises Conoco

production

Telecontrol equipment pro-duced by Ferranti Data Sys-tems Group of Edinburgh has heen accepted by Conoco (UK) Limited for use on their Hutton Tension Leg

Remote telemetry units, linked with the platform's Argus computer-hased Super-visory Monitoring and Control System, provide compre-bensive data from major plant items giving an overall picture of the oil production

duction.

maximum, typically 0.1 ohm.

#### ADVERTISEMENT | COMPUTERS

#### Ferranti flies the flag British Airways has ordered

two Telex Managers from Ferranti Computer Systems. Telex Manager is a new microprocessor-based system which will be used to link BA's main telex handling computers with the international telex network. The units will replace the conventional electro-mechanised punched paper telex facility in use at BA's London Heath-

Each Telex Manager will he equipped to make three telex connections via standard control units, using IATA mes-sage formats for inter airline communication. The control-lers have floppy disc units for the storage and direction of incoming and outgoing messages. A VDU, keyhoard and printer will be provided at each terminal for sending and receiving text. Telex Manager can control up

to six telex lines providing 12 channels-either telex lines or operator terminals. Destination designated and priority coded messages are input. and if necessary stored, for transmission immediately a free line is available so relieving operators of the necessity to re-dial occupied lines.

Correct compilation of messages is ensured by advanced preparation and editing facilifor recall, Incoming messages are likewise stored for transmission to the addressed

#### WEAPONS Electronic grenade fuze

Described as the first major advanca in band-grenade technology since the First World War, a new electronic fuze system has been developed as a private venture hy Ferranti Instrumentation Weapons Equipment Department

The Electronic Delayed Impact Sensing (EDIS) fuza is a sophisticated low-cost electronic system powered by a spring-activated generator. Traditional bazards of arming and handling hand-grenades have been effectively overcome providing a safer, more reliable weapon.

An incorporated impact switch guarantees immediate operation, virtually elimi-nating missires or returned grenades. Grenades falling on to impact-absorbing surfaces are automatically detonated by electronic timer after four seconds.
A grenade with the safety pin

withdrawn may be dropped accidentally without detri-ment. The initiation sequence is interrupted by impact and the weapon is neutralized. The inechanical safety of the non-aligned explusive train facilitates safe sturage of assembled grenade and fure.

The good news is FERRANTI Selling technology

NCC's original intention had

associated with the Bond Corporation of Perth. But three Simplicity Inves-

forge close links with leading to finance the takeover. The husinessmen and religious suit will be heard in the New leaders in the U.S. U.S. State Court on Monday, financiers supported him in the although NCC has already "terambitious and, finally unsuccessful bid for Mr Roland 'Tiny' Rowrends' Lourho group three

The sispension was requested ending "clarification" of pending ' NCC's affairs. The group is thought to have eccountered liquidity problems and had been contemplating the sale of its 20 per cent stake in Simplicity, the patterns company quoted in New York, to improve its

the fast-moving quoted explora-tion group headed by Mr Fercash position. NCC's original (atention had heen to merge with Simplicity—Mr Ferguson Lacen is already chairman—to use its estimated £50m cash halances for investoreol in further exploration opportunities, NCC had already committed \$45 (£25.28m), to stakes in minerals and good mining prospects in Australia in conjunction with companies

tors have filed a lawsuit against behalf of his Christian founda-tion, which has belped bim to to raid the Simplicity treasury" bank's loans to BMCT.

the Australian deals.
It is understood that Mr
Ferguson Lacey was seeking a waiver on the three-week period required to obtain share-holders' approval for a Class One transaction, such as the

minted" its proposals to pursue

Simplicity disposal. On Wednesday, Northern Bank sought to block this disposal in the High Court in London and was successful in winning a temporary injunction restraining NCC from charging or disposing of the stake for a

Ferguson Lacey expected to challenge this ruling although Simplicity's shares have recently been trading at about half the price of S15.14 per sbare paid by NCC last May. It is not certain when the NCC quotation will be restored although the suspension was originally planned for two or three days. Midland is said to he willing to listen to any hid over-NCC chargin gthat the com- tures which would take NCC out

### pany again. Mr Weighell said he was telllng RR in advance that there lng RR in advance that there any Mexico's largest company to meet pressing the Covernment for investment in wagons for the rall network, and taking over maintenance of privately and taking over maintenance of privately are respectively.

BY WILLIAM CHISLETT IN MEXICO CITY

A "bust-up" was imminent with BR, whether over closures, the pay claim, the findings of the McCarthy inquiry into flexible rostering, or the Teves today effort suspend. possible further "privatisation" ing repayments of principal of hotels or BR shipping lis debts of \$2.3bn (£1.3bn). ing repayments of principal on

Alfa, which produces steel-Although the NUR was going petrochemicals and a range of knock hell out of BR," he consumer goods, also has extenblamed the Government for sive property interests. Its failing to come forward with assets are valued at about 55hn. The group informed its 98 foreign creditors last week that The NUR had delivered on it had suspended most principal payments. Interest payments on

productivity, and a working parly was being set up to solve the debt will continue to he the dispute on manning, which made. had delayed introduction of the Principal payments will contime to be made to the U.S. But there was a point where any Export-Import Bank and to self-respecting union had to Mexican State institutions such say "enough is chough." as Banabras, the public works Yesterday more than 5.000 hank, which came to Alfa's people marched through Shil-

reseuc last year with a peso 12bn (f146.5m) aid package. Almost \$2hn of the total debt

McCarthy inquiry into and domestic creditors in Hous-ble rostering or the ton Texas today after suspend that the Mexican Government will come to Alfa's rescue a were informed second time. But the Covern- suspension ment is wrestling with serious ments, they halance of payments problems. Alfa would no and faces severe cash pressures. guarantees.

However, some officials are that International confidence in Mexico, which has been noticeably sagging since the peso devaluation, is at stake

Alfa decided to suspend principal payments, initially from April 21 until April 30. on the advice of an informal steering committee of banks debt. set up to reschedule the cour-

pany's debt. pany's debt.

The committee, which is will have headed by Chase Man attan acquiesce and includes Barclays, realised principal that Alfa was having difficulty is owed to foreign lanks, while meeting its principal payments out.

hy telex of the

principal pay-e also told that longer issue new Alfa's me time. The

expected for flow problems, company's en largely broug about by an programme of over-ambition re compounded to per cent deacquisit!ons by February e peso, which ost of servicing valuation uf pushed up th breign cucrency the company

ng is likely to akers say they Today's m who bitter. le option but to be suspension of principal ar can be worked รตรงวันได้กา

Casp. T. Cape T. Chica.t C Although some analysis now

should ofcur in the current quarter which is traditionally a low treasury financing quarter.

The market is worried that, should Mil not weaken, the economy vill probably pick up in the third quarter at a time of heavy iTreasury financing ities.

Of heavy Treasury financing
There was no news from the putting further pressure on